



Daily Report

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Daily Report

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General

Li Peng Setting Up Meetings With Bush, Yeltsin
HK1501052392 Hong Kong *THE STANDARD*
in English 15 Jan 92 p A-6

[By Cheung Po-ling]

[Text] China is actively arranging separate meetings for Premier Li Peng with individual state leaders who will attend the summit meeting of the United Nations Security Council late this month.

In his first visit in the United States since the 4 June crackdown, Mr Li is understood to be keen to meet American President George Bush and Russian President Boris Yeltsin, according to diplomatic sources yesterday.

Diplomatic analysts in Beijing were divided on whether Mr Bush and Mr Li would meet on a separate occasion.

Some believe Mr Bush would decline to receive Mr Li alone as his China policy has already been fiercely criticised by the American congress and the public after Beijing failed to make any commitment to improve its human rights record.

The visit to China last November by American Secretary of State James Baker, who acted as an envoy for Mr Bush, was under vehement attack by the Congress as the concessions made by the Chinese side were seen to be far from satisfactory.

U.S. diplomats in Beijing said the UN status as a neutral meeting ground increased the likelihood that Mr Li would also meet separately with Mr Bush.

"A trip to the United Nations obviously is not the same as an official visit to the United States," one American diplomat said.

"However, President Bush has already indicated that he will meet separately with Mr Yeltsin."

"If the opportunity presents itself for a similar meeting with Mr Li, then obviously it's up to the president."

Diplomats generally agreed that Mr Yeltsin was likely to meet Mr Li privately in New York since it would be the first encounter for both leaders after the two countries signed a memorandum of understanding at the end of last December which pledges further Sino-Russian ties.

"Even out of courtesy, the leaders of the two neighbouring countries should meet specifically with each other in New York," said a diplomat.

Meanwhile, diplomatic sources confirmed that Mr Li would head for Malta, Portugal and Spain after the UN summit.

It is understood Mr Li's European tour will start in Rome on 27 January for two days and then he will proceed to Berne, Switzerland on 29 January for a one-day working visit

before he attends the World Economic Forum at Davos in east Switzerland from 30 to 31 January.

After Davos, he will leave for New York to attend the UN session and fly to Malta on 1 February for a two-day visit.

He will then stay in Portugal from 2 to 4 February and Spain from 4 to 6 February.

Whether Mr Li's trips will be considered a real success would depend largely on how the other state leaders react to him personally, diplomats said.

A British diplomat said the Chinese side had accepted Premier John Major's invitation to the summit and had replied that Mr Li would be attending the event.

Official Xinhua News Agency, in a dispatch from the UN, quoted British Ambassador David Hannay saying he believed Mr Li had accepted the invitation to attend.

The Chinese Foreign Ministry refused to confirm the Xinhua report yesterday, saying the invitation was under consideration.

Li Peng Meets Peruvian, Rwandan, Tunisian Envoys

OW1301112092 Beijing *XINHUA* in English
1048 GMT 13 Jan 92

[Text] Beijing, January 13 (XINHUA)—Chinese Premier Li Peng met with three foreign ambassadors to China here this afternoon in The Great Hall of the People.

They are: Outgoing Peruvian Ambassador Roberto Vililaran Koechlin, outgoing Rwandese Ambassador Karamege Augustin and new Tunisian Ambassador Mohammed Habib Kaabachi.

Li said he appreciated the contribution to the bilateral friendship made by the two outgoing ambassadors and extended a welcome to the new ambassador.

He noted that China will adhere to its independent foreign policy of peace and continue to develop friendly cooperative ties with the rest of the world on the basis of the five principles of peaceful co-existence.

He said as developing nations, China and the three countries share common interests and desires and cherish identity in a wide range of international affairs.

"China attaches great importance to its ties with African nations and believes this relationship should be further enhanced," Li said, adding, "China also treasures its ties with Latin American countries and, in recent years, the exchange of visits between leaders of the two sides have been on the rise."

What is worthwhile to mention, he continued, is that a world conference on environmental protection and development will be held in Brazil in early June, to which China will send a high-level delegation.

"This is conducive to deepening the relations between China and Latin American countries," Li added.

Qian Says Worldwide Unrest 'Still Brewing'

HK1501095592 Hong Kong TZU CHING in Chinese
No 16, 5 Jan 92 p 9

[“Special article” by Qian Qichen (6929 0366 3819): “Unrest is Still Brewing Throughout the World”]

[Text] Three major events shocked the entire world in 1991: the Gulf war, the civil war in Yugoslavia, and the disintegration of the Soviet Union.

The Gulf war shows that, following the relaxation of the international situation and the end of the cold war, the outbreak of grave regional conflicts and massively destructive regional wars are still very real possibilities.

The civil war in Yugoslavia shows that following the disappearance of the two military blocs in Europe, nationalism has raised its head, and ethnic conflicts have become more acute. This type of conflicts are likely to go beyond state boundaries and become internationalized.

In the Soviet Union, a country on the brink of disintegration, numerous unpredictable military, political, and economically destabilizing factors emerged during the past year. This turbulent situation will last for a considerable period of time, and its threat to world peace is no less than that posed by the confrontation between the two superpowers.

In a word, the post-cold-war period is not so peaceful and tranquil. Unrest is still brewing throughout the world.

There is one phenomenon calling for attention. In the 40 years or so since World War II, most regional conflicts, wars, and disturbances took place outside Europe, that is, in Asia, Africa, and Latin America. To put it another way, they took place in the outlying regions of the vast Third World. While the two superpowers were locked in confrontation and the two military blocs were antagonizing one another, Europe was relatively stable, because there was a balance of power. Now things have changed, and the loss of balance has upset Europe's stability. “Earthquakes” have erupted, not in outlying regions, but precisely in central Europe. Undoubtedly, this will have a far-reaching impact on the world as a whole.

By contrast, the Asian-Pacific region where we are living is relatively stable. The region, which is politically relatively stable, surpasses the other regions in the world in terms of economic growth rates and is universally regarded by world opinion as a region of hope. Obviously, China's stability has played a positive role.

Being the most populous country in the world and one of the five permanent members of the Security Council of the United Nations, China has an influence and position which cannot be ignored in international affairs.

China pursues an independent and peaceful diplomatic policy, adheres to principles, upholds justice, and has worked hard to promote the peaceful settlement of regional conflicts. Together with the other members of

the Security Council and the ASEAN states, China has made its own contributions to the speedy settlement of the Cambodian issue by actively participating in consultations and removing obstacles. The agreement reached at the Paris conference on the Cambodian issue is a legal basis for achieving peace and reconstruction in Cambodia. All participants in the conference, particularly the Cambodian factions, have a responsibility to implement the agreement comprehensively.

China has worked hard to develop good-neighborly relations and ensure stability in the peripheral surroundings. China's relations with neighboring countries have improved. The comprehensive development of China's relations with the six ASEAN countries, the normalization of its relations with Vietnam, the signing of a border agreement between China and Laos, and the improvement of its relations with India and Mongolia are all the results of China's good-neighbor policy.

China's stable political situation, its sustained economic growth, its constant deepening of reform and opening wider to the outside world, and the results of its independently peaceful diplomatic policy undoubtedly constitute an important factor for peace and stability in the Asia-Pacific region.

While events in the international community are constantly changing and unrest is brewing throughout the world, some Western politicians consider this a good opportunity to unify the world according to Western values. In fact, this world remains a diversified world with myriads of variations. All countries have their own historical traditions, cultural backgrounds, religious beliefs, ideologies, and values. They are at different stages of development and have different social systems, economic patterns, and development strategies. It is obviously unrealistic and impossible to impose a pattern on different countries. This world remains a multipolar world in which the economic development of North and South is unbalanced and beset with contradictions, and, though several centers have been formed in developed countries, they have been beset by friction, competition, and conflicts of interest. It is also apparently unrealistic and impossible for one or several large powers to dominate the world.

Only when generally acknowledged principles are upheld can a new international order acceptable to all countries be established. These are the five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in one another's internal affairs, equality and mutual benefit, and peaceful coexistence.

It is precisely in accordance with the Five Principles of Peaceful Coexistence that China has sought to develop friendly relations with all countries in the world. In the last two years or so, some Western countries imposed political pressure and economic sanctions against China. The facts have proven that China has not been forced to submit or has become isolated. China has consistently held that differing

views among different states is a normal phenomenon and that efforts should be made to promote mutual understanding on the basis of mutual respect and has shunned imposing unanimity. This helps avoid harm to state-to-state relations. Seeking common interests should be regarded as a foundation for developing state-to-state relations. In 1991, three heads of government and five foreign ministers from seven Western countries visited China one after another and achieved certain results. In particular, the "Memorandum of Understanding on the Construction of a New Hong Kong Airport and Related Issues" signed by the heads of government of China and Britain during British Prime Minister John Major's visit to China was a great event in Sino-British relations and also a new advance in Sino-British efforts to strengthen cooperation on the Hong Kong issue. It is of great significance in maintaining Hong Kong's long-term stability and prosperity and in ensuring the smooth transfer of sovereignty in 1997.

Overall, although the world situation is undergoing constant change and unrest, peace and development remain the common aspirations of the peoples of various countries in the world today and the mainstream of international relations. Looking back at the past and looking forward to the future, we are fully confident.

'Long March 2-E' To Carry Australian Satellites

OW1301220892 Beijing XINHUA Domestic Service in Chinese 0552 GMT 13 Jan 92

[By reporter Tao Zhipeng (7118 1807 1756)]

[Text] Canberra, 12 Jan (XINHUA)—Aussat Proprietary Limited recently announced that it has reached agreement with China's Wanyuan Industrial Corporation to launch two Australian communications satellites on the Chinese-made "Long March 2-E" carrier rocket.

The first satellite, named "B-1," will be launched at the Xichang Satellite Launch Base in Sichuan Province, China, at an optimum time between 8 and 15 March.

According to the announcement, the Hughes Aircraft Company in El Segundo, California, in the United States has completed assembly work and final tests on the Australian "B-1" communications satellite. It plans to ship the satellite to China for launch before the end of this month.

Aussat Proprietary Limited also announced its plans to launch its "B-2" communications satellite on China's "Long March 2-E" carrier rocket within this year, after launching the "B-1" satellite.

It is understood that rockets that are suitable for launching Australia's "B-series" communications satellites include the U.S.-made "Titan," Europe's "Ariane," and China's "Long March" carrier rockets. Aussat Proprietary Limited eventually chose China's "Long March" carrier rockets.

An article in THE AUSTRALIAN comments: Using Chinese-made carrier rockets to launch Australia's satellites is a major "history-making" event for both China and Australia.

GATT Accords Favored as Basis for More Talks

OW1401014792 Beijing XINHUA in English 0130 GMT 14 Jan 92

[Text] Geneva, January 13 (XINHUA)—China said on Monday that it favors the use of a GATT draft package of final agreements as a basis for further negotiations to bring the Uruguay Round of world trade talks to a successful conclusion.

Speaking at a meeting of the Trade Negotiations Committee (TNC), the governing body of the round, a Chinese delegate said if accepted and implemented by the 108 participating countries, the draft would help liberalize the world trade and strengthen global economic growth.

He was referring to the draft of trade accords presented last December by Arthur Dunkel, director general of the General Agreement of Tariffs and Trade (GATT).

The Chinese delegate indicated, however, that significant divergences still existed over a number of issues.

He expressed in particular China's concern over the fact that due regard had not been given to the interests of non-GATT contracting party participants.

China is not a GATT contracting party but has engaged in the various negotiations as a full participant of the Uruguay Round.

The Chinese delegate told the TNC that China was an important trading partner with nearly one fourth of the world's total population and that its participation in the Uruguay Round final agreements was vital to the strengthening of multilateral trading system and the expansion of international trade.

"Exclusion of such participation of China would be unjustified and inconsistent with the objective of the Uruguay Round," he said.

He also expressed China's reservation over the accession clause in the agreement establishing the multilateral trade organization.

It was contrary to the principles of international law and the rules and practices of GATT, the delegate said.

Cuba, U.S., Former USSR Review Missile Crisis

OW1301220792 Beijing XINHUA in English 1957 GMT 13 Jan 92

[Text] Havana, January 13 (XINHUA)—Former U.S. Defense Secretary Robert McNamara stressed here Sunday that the future holds no danger for the security of

Cuba or the United States and urged the normalization of relations between the two countries.

He made the remarks after attending the third conference on the Cuban Missile Crisis of 1962, which was attended by distinguished persons from Cuba, the United States and the former Soviet Union, according to a press report here today.

McNamara emphasized that Washington and Cuba must look for a way to tackle the problem affecting their bilateral relations.

As U.S. defense secretary during John F. Kennedy's administration at the height of the missile crisis, McNamara said that Cuba and the United States must hold talks to normalize their relations, given actual world circumstances, including the disappearance of the cold war.

"We must find formulas that go beyond fear and distrust in order to resolve the differences," he pointed out.

This possible new footing in U.S.-Cuban relations is one of the lessons to be drawn from studying the 1962 crisis, he said.

The former U.S. defense secretary praised what he described as the "extraordinary accomplishment" of social welfare improvements made by the Cuban Government for its people.

He made assurances that upon his return home, he will convey to the authorities of his country the criteria that should govern the relations between the two countries.

Speaking on the same occasion, Oleg Troiyanovski, former Soviet ambassador to the United Nations during the 1962 crisis—which was caused by the positioning of Soviet R-12 rockets in Cuba, stressed the need for Cuba and the United States to discuss their differences on the basis of mutual respect.

Jorge Risquet, another veteran of the 1962 crisis and a Cuban representative in the event, pointed out that his country has always been ready to sit at the negotiating table on the basis of mutual respect.

He said that the historical pretexts used by different U.S. Administrations for not normalizing relations with Cuba have disappeared but nothing has changed in the relations between Washington and Havana.

By demanding the introduction of a market economy and a multiparty system on the island as a premise for improving bilateral relations, President Bush's administration is putting up new obstacles, Risquet said.

This demand "constitutes interference in the internal affairs of my country and that I consider unacceptable," he emphasized.

The third tripartite conference on the Cuban crisis began on January 9. No consensus was reached about holding a fourth conference.

United States & Canada

Intellectual Property Talks Continue in U.S.

Further on Sun Zhenyu Comments

OW1401134692 Beijing Radio Beijing in Mandarin to Asia 0900 GMT 14 Jan 92

[From the "Report on Current Events" program]

[Text] Now we broadcast the views of Sun Zhenyu, director of the Department of Affairs of the Americas and Oceania of the Chinese Ministry of Foreign Economic Relations and Trade, on the talks now being held in Washington between China and the United States over intellectual property rights.

Director Sun Zhenyu first briefed the meeting on China's work on fulfilling relevant international conventions on protecting intellectual property rights. He said: Before 1979, the first year of reform and opening to the outside world, many people in China did not know the importance of protecting intellectual property rights. Only after implementing the policy of reform and opening to the outside world and with the resulting increases in international exchanges did people begin to realize the importance of protecting intellectual property rights. In the short period of a decade, China has successively promulgated a patent law, trademark law, and copyright law, giving China a systematic protection structure in the three areas of intellectual property rights. We also joined the Paris Convention and Madrid Agreement on protection of intellectual property rights. We also undertook to join the Berne Convention on Protecting Intellectual Property Rights before this June.

When touching on differences between China and the United States over intellectual property rights, Sun Zhenyu said: The United States is the country that owns the most intellectual property rights in the world. The United States is rather sensitive about protecting its intellectual rights. It formulated a Super 301 provision. Countries which it considers to have not protected its intellectual property rights were categorized; some were on the major offending-countries list; others were on the watch list. On 26 April 1991, it included China, Thailand, and India on the list of major offending countries.

We are willing to accept the demands of the United States if they are in accord with international conventions, but we will not accept those demands if they exceed international standards.

In the last 10 years or so, we have made big efforts in this area. The United States has recognized the progress that China has made, but they still complain that we fall far short of their demands. This is where the differences between China and the United States lie.

Some people in the United States have said that, if China cannot meet U.S. demands, the United States will retaliate. In response Director Sun said: China holds that the talks on

intellectual property rights should proceed in the spirit of equality, mutual compromise, and mutual understanding. It is not advisable for either side to impose its will and views on the other. In order to reach agreement, both sides should compromise and should not ask the other side to make unilateral compromises. The American side has threatened to double the tariff on about \$1.5 billion worth of our country's exports to the United States if no agreement is reached before 16 January. If the United States makes good on its threat, in the short term this will undoubtedly have an unfavorable impact on China's export trade to the United States. But the United States should also know that this action will deal a blow to importers, retailers, and consumers in the United States. This will also affect Hong Kong's entrepot trade.

In conclusion, Director Sun stressed: The Sino-U.S. economic relationship is highly complementary, and developing bilateral trade will benefit both sides. If the United States takes unilateral action to worsen Sino-U.S. economic and trade relations, the result will be that the United States will see a dwindling of its market share in China. This is tantamount to conceding its market in China to its competitors. This would not benefit the United States.

Officials 'Optimistic' on Success

HK1501031692 Hong Kong TA KUNG PAO in Chinese
15 Jan 92 p 21

[("Report": "Wang Pingqing, Wang Zengjiang Say Intellectual Property Rights Talks May Be Successful With Joint Efforts by Both China and the United States"]

[Text] Two Chinese officials who appeared at a public event in Hong Kong yesterday said that China, which has done its best to maintain Sino-U.S. trade relations, hopes that results can be achieved at the current negotiations on intellectual property rights. If the two countries make joint efforts, the talks can easily achieve success.

After attending a Chinese garment exhibition yesterday, Wang Pingqing, deputy director of the XINHUA NEWS AGENCY's Hong Kong Branch, said that the final round of Sino-U.S. talks on intellectual property rights will end soon. We hope that both sides will hold talks sincerely and will resolve their problems. China is not afraid, even if the United States takes retaliatory action.

Wang Pingqing said that China has done its best to maintain Sino-U.S. trade relations. Moreover, China's efforts are beyond international standards. If the United States asks for too much, China will not be able to meet their demands. We hope that the United States will proceed from the reality of the situation and will solve the problems with a sincere attitude. This will benefit Sino-U.S. trade as well as Hong Kong's economic development.

On the same occasion, Wang Zengjing, vice minister of the Chinese textile industry, said that he was optimistic

about the Sino-U.S. trade talks. If the final round of the talks fails, however, it will affect China's textile exports, albeit in a limited way.

He said that China's textile exports totaled \$15 billion in 1991, accounting for one-fifth of the country's exports. If the United States enforces the special Section 301, a turnover of around \$600 million will be affected. The impact on Hong Kong will be even greater, however.

China also attaches great importance to the development of its trade with the United States, Wang Zengjing said. To date, the Chinese side is still optimistic about the talks.

As the trend of global free trade is constantly expanding, he said, we believe that the United States will take a broad vision. China will adopt measures to develop diversified international trade and open markets in countries other than the United States. He said that the trend of free trade will be irresistible.

Commercial Counselor Comments

HK1501025792 Hong Kong TA KUNG PAO in Chinese
15 Jan 92 p 2

[("Special dispatch": "Sino-U.S. Talks Continued Yesterday, Chinese Side Made Major Concessions"]

[Text] Washington, 14 Jan (TA KUNG PAO)—Sino-U.S. talks on intellectual property rights continued in Washington on 14 January. In an interview with our reporter, Wang Tianming, commercial counselor of the Chinese Embassy in Washington, said that the talks were originally scheduled to end on 12 January. This time, the talks was prolonged to 15 January at the other side's request.

Wang Tianming, who had been participating in the Sino-U.S. talks on intellectual property rights since 10 January, told our paper that, judging from the developments of the past four days, certain progress had been achieved in the current talks. There are still differences on some issues, however, but he believed that they can still reach agreement if both sides discuss those issues in a spirit of mutual understanding, accommodation, and cooperation.

Wang Tianming emphasized that the Chinese delegation is very sincere and has been taking an attitude of positive cooperation in the current talks. It has not only taken into consideration the common international practices and international agreements, but also has given full consideration to some of the United States' economic interests. It is on such a basis that China has made certain major and substantial concessions during the talks. Therefore, whether substantial results can be achieved primarily depends on whether the U.S. side can take the same attitude toward the talks.

The commercial counselor said that if the U.S. side shows certain flexibility in the talks, the differences between both sides may be reduced. A general impression from the talks in the past few days is that both sides have a common desire for reaching agreements. If the

U.S. side continues to stick to its original stand and does not show flexibility in talks, the responsibility for the failure of talks will not be on the Chinese side.

It was reported that an official of the U.S. trade representatives' office said this morning that Sino-U.S. talks on intellectual property rights would continue to be held in Washington today. The official said that in the current stage, both sides are appraising the progress already achieved in the talks.

The official reiterated that U.S. Trade Representative Carla Hills will announce on the afternoon of 16 January whether to impose "retaliatory" tariffs on Chinese products exported to the United States.

Silk Executive Comments on Impact

HK1401144092 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1310 GMT 14 Jan 92

[By correspondent Zhuo Jianan (0587 1696 1344): "No Great Impact on Chinese Silk Garments If United States Launches 301 Retaliation"]

[Text] Hong Kong, 14 Jan (ZHONGGUO TONGXUN SHE)—Huang Jianmo, general manager of the Chinese National Silk Import and Export Corporation, stated in Hong Kong that if talks between the United States and China over intellectual property rights break down, China's state-run silk garment industry probably will not be seriously affected, but it will have a substantial impact on Hong Kong and foreign-invested enterprises in China.

Attending the "Chinese Fashion Show '92" today, Huang Jianmo said that there are a total of 106 items on the U.S. "Special 301" investigation list, 65 of which are silk garments. According to statistics, the gross export value of Chinese silk garments last year was \$2 billion, of which \$500 million went to the U.S. market; exports from the China National Silk Import and Export Corporation accounted for a mere \$60 million, and foreign-invested enterprises accounted for the rest. About 72 percent of the exports of part of these foreign-invested enterprises go through Hong Kong. Therefore, Hong Kong and foreign-invested enterprises in China will be seriously affected if the talks break down.

Wang Zengyou, assistant general manager of the China National Textiles Import and Export Corporation, stated on the same occasion that China's textile exports last year topped \$15 billion, accounting for one fourth of China's entire export value. China's textiles rank fourth or fifth in the world's export status. At present, export markets for China's textiles concentrate in the United States, Japan and West Europe, which together account for about 70 percent of China's gross textile export volume. In the future, China will work hard to open up markets in Latin America, Africa, and the Soviet Union.

Seven Trade Groups Join Campaign for MFN

HK1501053492 Hong Kong THE STANDARD in English 15 Jan 92 p B-1

[By Eric Chan]

[Text] Seven trade groups joined the campaign for China's most-favoured-nation [MFN] trade status with the U.S..

The groups propose to set aside a fund of \$1.4 million to sponsor a tour of Congressional staff to Hong Kong and China.

The plan is to invite up to 12 assistants to the key members of both Houses of the U.S. Congress for a five day visit to Hong Kong and South China around 11 April.

The tour is designed to give Congress an accurate picture of the economic situation in China and Hong Kong.

The visit will cover major economic facilities of the territory, such as the stock exchange and several high-tech factories.

The Congressional staff will also visit plants in South China, probably Dongguang, which were set up by Hong Kong investors.

Special focus will be given to plants which would be affected by the proposed retaliation of the Special 301 actions.

The trade groups have each reserved \$200,000 for sponsorship of the trip.

Additional finance is expected from the American Chamber of Commerce in Hong Kong.

The trade groups were encouraged by the results of a meeting held Saturday with five visiting Congressional staff.

All represented Congressmen from New York who were enthusiastic about the proposal. Two volunteered to participate in the April tour, a source said.

American Chamber of Commerce president Frank Martin also met with the delegation. He described the meeting as useful and educational, although he did not expect the trip to change the Congressmen's positions.

The Chamber of Commerce outlined its position on MFN and some of the staff expressed interest in its perspective Mr Martin said.

The representatives were told China had shown dramatic improvement during the last 10 years of its open door policy and MFN was crucial to continued improvement.

The Congressional staff maintained their strong views over China's human rights abuse, he said.

The trade groups passed the final draft of their position paper at yesterday's meeting.

The seven include the Hong Kong General Chamber of Commerce, The Chinese General Chamber of Commerce, The Federation of Hong Kong Industries, the Chinese Manufacturers' Association, the Hong Kong Toys Council, the Hong Kong Toys Council [as published] and Vision 2047.

The debate on MFN will reach another climax in February when the U.S. Senate begins to debate it.

The Senate is expected to support a conditional renewal of the trade status in 1992.

President Bush needs to win the support of 34 senators to maintain his veto against the conditional renewal.

Sino-U.S. Trade Symposium Held in Beijing

*HK1501091792 Beijing RENMIN RIBAO in Chinese
12 Jan 92 p 2*

[By staff reporter Ji Honggeng (6060 3126 6342); "Sino-U.S. Trade Symposium Held in Beijing"]

[Text] Beijing, 11 Jan (RENMIN RIBAO)—A symposium on Sino-U.S. trade was held in Beijing today. Peng Qiren [1756 0796 0088], director of the Business Consulting Service Department of the U.S.-Chinese Trade Committee; Su Lin [5685 7792], an expert in charge of international trade and tariff policy and practice in the International Trade Committee of the U.S. Government; Bao Tingya [0545 1250 7161], senior commercial adviser for the U.S.-Chinese Trade Committee; and Lu Long, chief resident representative of the China Council for the Promotion of International Trade [CCPIT] in the United States studied and discussed how to further develop Sino-U.S. trade. The symposium was sponsored by the Propaganda Department of the CCPIT, the Jianlibao Group Company in Guangdong, and the U.S.-Chinese Chamber of Commerce in the United States.

General Motors, Jinbei Set Up Joint Venture

*OW1501091292 Beijing XINHUA in English
0825 GMT 15 Jan 92*

[Text] Beijing, January 15 (XINHUA)—The General Motors Corporation (GM) and China's Jinbei Automobile Company today announced the formation of the Jinbei GM Automotive Company Ltd., a joint venture company to produce light commercial vehicles.

According to the agreement, the total investment for the joint venture, located in Shenyang City, was 100 million U.S. dollars, of which GM will hold 30 percent. GM is to pay cash as its investment.

The joint venture, with a workforce of approximately 5,000, will produce the S-class pick-up trucks, the latest design for the 1990s. Production volume for the joint venture is forecast to grow to 50,000 units by 1998.

News of the joint venture formation comes less than one month after GM's home division was forced to radically

restructure its operations and announced plans to close manufacturing plants and discharge approximately 30,000 employees.

The Jinbei Automobile Company is a key producer of light trucks in China, operating two vehicle manufacturing and 48 component factories in the Shenyang area. Its annual light truck production is about 20,000 units.

Speaking at today's formation ceremony, Thomas McDaniel, General Motors' vice president for Asia Pacific operations said, "GM is pleased to be a participant in China's automotive industry through the establishment of Jinbei GM Automotive Company and the introduction of a new class of light commercial vehicles for the Chinese market."

Today's announcement is the second major automotive-related project for GM in China. In 1988, GM sold a 2.0 liter engine manufacturing line to Beijing. GM first became involved in China in 1978 and established an office in Beijing in 1982.

U.S. Businessmen Meet Zou Jiahua

*OW1501092592 Beijing XINHUA in English
0833 GMT 15 Jan 92*

[Text] Beijing, January 15 (XINHUA)—Chinese Vice-Premier Zou Jiahua met here this afternoon with Thomas S. McDaniel, vice-president of the U.S. company General Motors Corp., and his party.

The U.S. visitors were invited by the China National Automotive Industry Corporation to attend a ceremony to establish a Sino-U.S. joint venture—the Jinbei GM Automotive Company Ltd.

The venture was formed by Shenyang Jinbei Automotive Company Ltd. and General Motors. The venture, with a total investment of 100 million U.S. dollars, will manufacture late-model U.S. products, including the S10 light truck series. The joint venture expects to produce 50,000 trucks per year.

The ceremony was held at the Great Hall of the People here this morning.

Qingdao Markets U.S. Joint Venture 'Rens' Beer

*OW1401090792 Beijing XINHUA in English
0810 GMT 14 Jan 92*

[Text] Beijing, January 14 (XINHUA)—"Rens" beer, a new product jointly produced by the United States' TR enterprises [as received] and China's Qindao Brewery, is to be widely sold on both domestic and international markets this year.

The new product has been well-received in the U.S. since it entered the market in March 1991. It is predicted that 15,000 tons of the beer will be exported to the U.S. and 5,000 tons to Canada this year.

A spokesman for the brewery said that "Rens" beer is brewed from imported barley and high-quality mineral water with strict technical management and scientific formulas, containing many kinds of trace elements needed for good health.

The U.S. TR enterprises has decided to fund the construction of another production line in the brewery, which had a production capacity of 30,000 tons last year. The new line will up production capacity to 50,000 tons.

The Qindao Brewery is a successful enterprise in the famous coastal city of Qingdao, the beer capital of China. The brewery boasts of advanced equipment and technologies and produces Qingdao, Qingquan and Rens beer, as well as mineral water and a series of other products. The brewery's products have been sold to 18 countries and regions, making the enterprise the country's leading exporter.

Article Comments on U.S. Asia-Pacific Policy

HK1501063092 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 15 Jan 92 p 6

[Article by staff reporter Zhang Qixin (1728 0796 2500): "U.S. Asia-Pacific Policy as Seen From Bush's Asia-Pacific Visit"]

[Text] Washington (RENMIN RIBAO OVERSEAS EDITION)—U.S. President Bush concluded his visit to four Asia-Pacific region countries and returned to Washington on 10 January. In evaluating the visit, the U.S. Government said that it was fruitful and successful. Public opinion and comment differed, however, revealing both praise and censure.

Viewed from the diplomatic angle, the United States has maintained that, as the former Soviet Union's military threat against the Asia-Pacific region no longer exists and the Asia-Pacific region's economy has developed quickly, the United States needs to adjust its policy toward this region. Bush made clear the purpose and main theme from the very beginning and declared that the Asia-Pacific region is "a region which has a bearing on the interests of" the United States and "Asia's security and economic development are in line with U.S. interests." In the cold war era, the United States consistently considered the Asia-Pacific region an important U.S. military strategic region and established a military and security alliance with some countries to confront the former Soviet Union. Although the situation has now changed, the United States still maintains that in the new situation, it is still necessary to keep vigilant against the "unstable and uncertain factors" and to keep its military existence in the Asia-Pacific region. In the course of his visit, Bush and others not only reiterated that the United States would continue to undertake the responsibility for the security of its allies and the stability of the Asia-Pacific region but also planned to guarantee U.S. military existence through signing bilateral defense agreements with some Asia-Pacific countries. On the other hand, the United States also plans to suitably reduce the

scale of its military existence. In addition, the United States contemplates consultations with other ASEAN countries to seek military cooperation in other areas. The United States will reduce its troops in Japan and South Korea as planned, will withdraw its tactical nuclear weapons from South Korea, and will conditionally cancel or reduce its military maneuvers. These circumstances show that, in the new situation, the United States will reduce its general military forces in the Asia-Pacific region but continue to maintain its military influence.

Economics and trade were the major topics of discussion during Bush's Asia-Pacific trip. In the long run, the United States sees the Asia-Pacific region as one of its immense markets. In dealing with the significance of his Asia-Pacific trip, he clearly and definitely declared that the U.S. economic future requires the United States to carry out even more frequent economic contacts with Asia, Europe, and Latin America. He also asserted that U.S. foreign and domestic policies cannot be completely separated. This is aimed at refuting criticism within the United States that he "attaches importance to foreign affairs but disregards internal affairs" and, at the same time, also clearly shows that the U.S. diplomatic policy toward the Asia-Pacific region will shift from the primacy of military security seen in the past to economic and trade concerns.

The U.S. economy is depressed, and the unemployment rate remains high. The government and the public have criticized one another, and Bush's prestige has dropped considerably. Apart from dishing out a plan to stimulate economic growth, the Bush administration is eager to expand exports and increase jobs to change the passive situation. His Japan visit was particularly marked by domestic concerns. To diminish the trade imbalance, the United States bargained hard with Japan, and, although Bush publicized "free and fair trade" time and again during his visit to the four Asia-Pacific countries, the trend toward protectionism is gaining ground within the United States with every passing day, and trade conflicts between the United States and the Asia-Pacific countries will continue to occur frequently.

Central Eurasia

Russians Make 'Advances' in Nuclear Space Rocket

OW1401020592 Beijing XINHUA in English
0148 GMT 14 Jan 92

[Text] Washington, January 13 (XINHUA)—Visiting Russian scientists said they have made significant advances in developing a nuclear-powered rockets that could cut the space travel time in half for a future voyage toward Mars.

According to reports from Albuquerque, New Mexico, the Russians have already conducted ground test-firings of the new rocket.

In Albuquerque, a team of Russian scientists are attending an annual meeting on space nuclear power. The meeting opened today.

To prevent the nuclear reactor from burning up, the scientists said, they have developed and applied highly heat-resistant metal alloys to build the engine, thus achieving temperatures higher than those obtained by their U.S. counterparts.

Liquid hydrogen pumped into the reactor is not burned, but the heating there causes the propellant to rapidly expand through gasification, thrusting the rocket forward.

Theoretically, nuclear-powered rockets are at least twice as efficient as those burning chemical fuels. With this advantage, a U.S. nuclear-powered rocket system now under development is expected to reduce the duration of a Mars flight by one-third.

Nuclear reactors have long been applied to generate electrical power for spacecraft, but the Russian project is the first to use them as powerful engines to push rockets into space.

However, Dr. Nikolai Ponomarev-Stepnoi, deputy director of the Kurchatov Institute of Atomic Energy in Moscow, told reporters that the Russian progress in developing the nuclear engine was imperiled by the collapse of the Soviet economy.

He said his team would propose a joint venture with the United States to perfect the design and to join the possible manned mission toward Mars.

Khasbulatov Blames Government for Price Hikes

Suggests Replacing Officials

OW1401034092 Beijing XINHUA in English
0235 GMT 14 Jan 92

[Text] Moscow, January 13 (XINHUA)—Chairman of the Russian Supreme Soviet Ruslan Khasbulatov criticized the government Monday for failing to fulfill the promise to "control the prices of some staple food items."

He told a Supreme Soviet session that the anarchic price hikes are out of control. He also said that the government plan to dissolve state-owned and collective farms and to carry out privatization in the countryside this spring is "absurd and stupid", according to TASS News Agency.

Russia freed the prices of most goods about two weeks ago as part of its economic reforms.

Meanwhile, meeting an Italian parliament delegation, Khasbulatov said that "a government which is not able to accomplish thorough reforms must be replaced."

He said however that the replacement should be effected by either President Boris Yeltsin or the Supreme Soviet in a constitutional way.

Yeltsin Responds; Not To Resign

OW1401140892 Beijing XINHUA in English
1343 GMT 14 Jan 92

[Text] Moscow, January 14 (XINHUA)—Russian President Boris Yeltsin today denied that he would resign as head of the Russian government and opposed the replacement of the government.

Chairman of the Russian Supreme Soviet Ruslan Khasbulatov Monday accused Yeltsin's government of its inability to accomplish thorough reforms and called for a replacement.

"I will defend the government," said Yeltsin, who is also the Russian Prime Minister. He made this remark this morning before leaving for Bryansk, in southern Russia.

When asked to comment on Khasbulatov's speech, the Russian President said, "every leader can sometimes be impulsive."

"The government is not a pair of gloves," Yeltsin said. "It's much easier to pass a law than to carry out it," he added.

Yeltsin also denied that Russia planned to issue its own currency.

Gorbachev Ends Vacation, Starts New Job

OW1501014392 Beijing XINHUA in English
0108 GMT 15 Jan 92

[Text] Moscow, January 14 (XINHUA)—Former Soviet President Mikhail Gorbachev has returned from a three-week vacation to begin work in Moscow today as leader of the Fund for Socio-Political Research.

Gorbachev arrived at noon in his former presidential limousine at the Institute of Social Sciences building which will serve as his foundation's headquarters.

In this first public appearance since resigning on December 25 last year, Gorbachev spoke to group of reporters at the entrance of the foundation.

"We are living in the most complicated, perhaps the most difficult period," he said.

While reluctant to make a "hasty evaluation" of Russia's price reforms, Gorbachev said "the Russian president and government should react to the impulses coming from regions of the republic."

"The situation is very serious and worth being taken into account," he said.

The priority tasks should be to stimulate production and avert a complete cut-off of relations between members of the new commonwealth, he added.

And the monopoly of enterprises should be restrained, he cautioned.

Gorbachev had a meeting with former United States Secretary of State Henry Kissinger in his office and said

he would not rule out the possibility that former U.S. President Ronald Reagan and former British Prime Minister Margaret Thatcher might join his fund.

The foundation, formed by Gorbachev himself on August 27 last year, is to serve as a think tank for social, economic and political reforms.

Russia Plans To Import 20 Million Tons of Grain

*OW1501033592 Beijing XINHUA in English
0238 GMT 15 Jan 92*

[Text] Moscow, January 14 (XINHUA)—Russian Minister of Agriculture, Victor Khlistun, said today his country needed 20 million tons of grain this year in foreign grain imports.

Khlistun told a press conference that despite the program of land reform announced by Russia two weeks ago, the government still intended to import food from abroad in the near future.

Russia imported 16 million tons of grain last year, he said.

1991 saw a less than 100 million ton grain yield in Russia with the nation purchasing only 22.4 million tons of grain.

The Russian Federation needs at least 52 million tons of grain annually.

Russia will find it hard to eliminate the need to purchase imported grain, experts said.

Northeast Asia

'Yearender' Views Japanese Foreign Policy

*HK1401150792 Beijing RENMIN RIBAO in Chinese
26 Dec 91 p 7*

[“Yearender” by staff reporter Yu Qing (0060 7230): “Japan’s Diplomacy Gives Prominence to Asia”]

[Text] In 1991, profound changes occurred in the international situation. In order to play a “political role” in international affairs commensurate with its economic status and to play a major role in the “new international order,” Japan has obviously adjusted its foreign policy in the past year.

It was the Gulf war that prompted Japan to adjust its foreign policy. Before and after the Gulf war, in order to “make a contribution to the world,” Japan first offered \$13 billion of financial aid to the multinational forces headed by the United States, and then dispatched mine-sweepers to the Gulf region in the name of peacekeeping. This broke Japan’s postwar rule of not sending military forces abroad. In order to legalize this action, Japan’s ruling Liberal Democratic Party forced through the “Act on Supporting UN Peacekeeping Activities” and the “Act on the Dispatch of International Emergency Aid Teams” in the House of Representatives disregarding opposition from the Socialist Party and other opposition

parties. The two bills encountered frustration as they could not pass the House of Councillors. Public opinion said that this illustrated Japan’s desire to “be a political power through increasing the military element in its diplomatic activities.” However, the two bills were eventually thrown out. This showed that they were not in keeping with the desire of most Japanese people.

When the world economy is being conglomerated into several regional groups, a major characteristic of Japan’s diplomacy in 1991 was to give prominence to its diplomacy in Asia. In the past, when visiting other Asian countries, Japanese prime ministers used to stress economic cooperation. In April this year, when Prime Minister Kaifu visited the five ASEAN countries, he saliently indicated for the first time that Japan would play a “political role” in Asia.

In the aspect of Japanese-Korean relations, from the thaw of Japanese-Korean relations last year to November this year, the two sides held five rounds of talks on normalizing state-to-state relations. Because the two sides reached an impasse on some issues, no progress has been made so far. One of the deadlocked issues was Japan’s demand that Korea be open to nuclear verification. In fact, this should not be an issue in bilateral relations between Japan and Korea. Japan included this issue in talks on normalizing Japanese-Korean relations because it wanted to play a political role in the region.

Indochina is another major region where Japan pursued its Asian diplomacy. Some Japanese diplomats indicated that Vietnam, Laos, Cambodia, Burma, and Mongolia will be new target countries for Japan to pursue its Asian diplomacy, exert its influence, and play a role. Before that, when Japan hosted the Tokyo conference on the Cambodian issue, it expected to play a political role in this region. After the agreement on settling the Cambodian issue was signed in Paris, Japan immediately proposed that an international conference on assisting Cambodia be held next year in Tokyo. This year, the Japanese prime minister visited Mongolia and then prompted the United States, Europe, the World Bank, and the International Monetary Fund to hold a meeting on assisting Mongolia. Japan has played the most active role in the Western world’s diplomacy with Mongolia.

Under the current situation, Soviet diplomacy is also an important link in Japan’s efforts to play a political role. However, the dispute over the northern territory between Japan and the Soviet Union exists and this makes it hard for Japan to make substantial breakthroughs in its relations with the Soviet Union. In April this year, Soviet President Gorbachev visited Japan, but his visit lacked luster because of the failure to solve the northern territory issue. After the “August 19 Incident” in the Soviet Union, Japan adjusted its Soviet strategy and no longer insisted on the principle of “not separating economic affairs from political affairs.” In his speech to the UN General Assembly this year, the Japanese foreign minister put forward five principles for relations with the Soviet Union and indicated that Japan

would simultaneously improve relations with the Soviet Union and strive to recover the northern territory from the Soviet Union.

Japanese-Chinese relations constitute an important component part of Japan's Asian diplomacy. Japan takes relations with China as part of the cornerstone of its foreign policy. Prime Minister Kaifu visited China in August this year and fully restored normal relations between the two countries. At the same time, in view of the present international situation, Japan put forth its new concept of building "Japanese-Chinese relations in Asia" and "Japanese-Chinese relations in the world." After taking office as prime minister, Kiichi Miyazawa indicated more than once that Japan will not change its policy of keeping friendship and cooperation with China and proposed that the celebration of the 20th anniversary of the normalization of Japanese-Chinese diplomatic relations be used to further promote the development of Japanese-Chinese relations. This is not only in line with the interests of both Japan and China, but is also conducive to peace and stability in the Asia-Pacific region and in the world.

The overall picture of Japan's diplomatic tendency shows that Japan still takes its relations with the United States as the axis of its diplomacy and lays stress on Asia in order to play a role as a political power in international affairs. Economic strength is still the major bolster for Japan's diplomacy, but it has begun to test its political and military role and has shown an increasing tendency to take the initiative in unfolding its diplomatic activities.

Southeast Asia & Pacific

Editorial Discusses Yang's ASEAN Visit
HK1501060492 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 15 Jan 92 p 1

[Editorial: "Consolidate and Develop Friendly Relations With ASEAN Countries—Warmly Greeting Complete Success of President Yang's Visit to Singapore and Malaysia"]

[Text] By invitation of Singapore President Wee Kim Wee and the Malaysian Supreme Head of State Sultan Azlan Shah, President Yang Shangkun paid a seven-day state visit to Singapore and Malaysia from 7 to 14 January. The current visit was a return visit by Yang Shangkun to the visits to China last year of the heads of state of the two countries and also the first visit of a Chinese head of state to the two ASEAN countries. The visit, which was crowned with positive results, was another major diplomatic move taken by China to strengthen friendship and cooperation with ASEAN countries and promote peace and development in the Asian-Pacific region. It marks that China's good-neighborly and friendly relations with its neighboring countries have continued to develop in breadth and depth. We warmly greet the complete success of the visit.

During the visit, President Yang was accorded warm welcomes and lavish hospitality by the governments and peoples of the two countries. He met with leaders of the two countries on many occasions to thoroughly exchange views on further development of bilateral relations and international and regional issues of common concern. President Yang also gave separate interviews to many Singapore and Malaysian news agencies and had contacts with personalities from all walks of life. Through visits, China and Singapore and Malaysia have had a better understanding of each other, gained a greater consensus, explored and discussed ways to expand the aspects of economic and trade cooperation, thus opening a better prospect for the existing friendly and cooperative relations.

Singapore and Malaysia are China's friendly neighbors. The Chinese people and the peoples of the two countries have a deep, traditional friendship. In recent years, further advances have been made in the friendly and cooperative relations between China and the two countries in such fields as politics, economics, science and technology, and culture. Singapore and Malaysia are China's major trading partners. China has carried out all forms of economic cooperation with Singapore and Malaysia and achieved remarkable results in mutual investment. Particularly, the frequent visits and contacts of high-level leaders have all the more pumped new vitality into such relations. Following Premier Li Peng's visit to the two countries last year in September, his Majesty Azlan Shah and President Wee Kim Wee paid a state visit to China one after another. At the beginning of 1992, the Chinese state president first visited the two ASEAN countries. The opinion world in Singapore and Malaysia reacted warmly to President Yang's visit and pointed out in succession: Developing friendly and cooperative relations with China not only corresponds to the fundamental interests of the countries concerned but also greatly helps promote peace and development in this region and the world at large.

Developing long-term stable good-neighborly and friendly relations with ASEAN and other neighboring countries is part and parcel of China's independent and peaceful diplomatic policy. As developing countries, China and ASEAN states have shared similar historical experiences, are now facing the important task of upholding national sovereignty and independence, developing the economy, and raising the people's standards of living, and have a broad consensus on some major international issues. Being highly complementary economically, China and ASEAN countries have broad fields of cooperation and huge potentials in this regard. Now China has established diplomatic relations with all six ASEAN countries and started a process of dialogue with the latter. Thus, the friendly relations with one another have entered a new period of overall development. President Yang's visit to Singapore and Malaysia is of great significance in furthering China's relations with the ASEAN countries.

President Yang's visit was conducted when great changes had taken place in the international situation. In the

complex and changeable international situation, what new international order is to be established has become an issue which various countries have been following universally with interest. During the talks with leaders of the two countries, President Yang further explained China's position on the issue. To put it another way, a new international political and economic order should be established on the basis of the five principles of peaceful coexistence and the United Nations Charter, which should be broadly acceptable to the international community. The core of the order is noninterference in other nations' internal affairs. All nations, big or small, rich or poor, strong or weak, should be treated as equals. They have the right to choose their own path of development and participate in settling world affairs in the light of their own national conditions. China's aforesaid position won the understanding and approval (zan tong 6363 0681) of the two countries' leaders. Leaders of the three countries expressed willingness to make their own contributions for the establishment of a new peaceful, stable, fair, and reasonable international order.

During the visit, leaders of the three countries unanimously agreed: While the situation of the world as a whole is volatile, that of the Asian-Pacific region is relatively stable. A political settlement of the Cambodian conflict has been achieved; the situation in the Korean Peninsula has further relaxed; and the relations of states in this region have also universally improved and developed in varying degrees. In recent years, while many regions in the world suffered from economic recession, the economy of the Asian-Pacific region has maintained its robust vitality on the whole, thus providing an opportunity and conditions for the states of the region to strengthen cooperation and promote common prosperity. As a member of the Asian-Pacific region, China has persistently supported and actively participated in the region's cooperation. It participated in the ministerial meeting of the Asian-Pacific economic cooperation and adopted a positive attitude toward the proposal for "an East Asian Economic Conference," regarding it as being of positive significance in strengthening the region's cooperation.

The spirit of promoting understanding, deepening friendship, and expanding cooperation ran through President Yang's tour to Singapore and Malaysia. We are fully convinced that the current visit will surely have a far-reaching impact on promoting China's friendly cooperation with Singapore, Malaysia, and the other ASEAN countries.

Thai Naval Chief Leaves for Week-long Visit

OW1401075492 Beijing XINHUA in English
0630 GMT 14 Jan 92

[Text] Bangkok, January 14 (XINHUA)—Thai Navy Commander-in-Chief Adm. [Admiral] Wichet Karunyawanit left here today for Beijing for a week-long visit to China.

It is learned that during the visit, Wichet is scheduled to call on Chinese Defense Minister Qin Jiwei and meet with Chinese navy leaders.

Wichet will also visit Qingdao and Shanghai, and in Shanghai he will attend the launching ceremony of the third frigate built by China for the Thai navy.

This is Wichet's first visit to a foreign country after assuming the post of Thai naval chief since last October.

Near East & South Asia

Iraq Prepares for First Anniversary of Gulf War

OW1401152292 Beijing XINHUA in English
1426 GMT 14 Jan 92

[By Li Dawei: "Iraq Prepares To Mark First Anniversary of Gulf War"]

[Text] Baghdad, January 14 (XINHUA)—Iraq, with its economic infrastructure still in shambles as a result of the Gulf war, has launched large-scale preparations to mark the first anniversary of what it calls "the mother of battles" against foreign aggression. Exhibitions, demonstrations, rallies and an international Islamic conference are being planned for January 17, the first anniversary of the breakout of the Gulf war.

Iraqi officials said the plan is intended to wipe out the impression that Iraq was defeated in the war.

The six-week war, launched by the U.S.-led multinational forces, ended Iraq's seven-month occupation of neighboring Kuwait, weakened its military power and nearly paralysed its economic infrastructure.

"We did not lose the war at a time we confronted 30 states, among them three military powers (the United States, Britain and France)," said an Iraqi official on condition of anonymity.

He said the U.S. policy toward Iraq has backlashed as the continued economic sanctions against the country has strengthened instead of weakening President Saddam Husayn's position and reputation.

Saddam, according to other Iraqi officials, receives a message of congratulations worldwide nearly every day on the country's reconstruction process and his firm stand against the United States.

As part of the preparations, Iraq has invited about 60 foreign journalists to cover the event.

The Iraqi authorities said the Iraqis are obliged to go to the streets on January 17 to protest the "vicious aggression against Iraq."

Silke Hottman, a German woman who married an Iraqi, told XINHUA that she herself would organize a demonstration on the date to protest the continued sanctions

imposed by the U.N. Security Council shortly after Iraq invaded Kuwait on August 2 of last year.

A Baghdad university teacher said he did not take part in previous demonstrations in support of Saddam's policy on Kuwait. "But this time, my wife and I will take to the streets to condemn the unjust embargo."

As the sanctions drag on, some Iraqis said they felt betrayed by the international community because it is the Iraqi people that bear the brunt of the embargo.

Over the past few months, demonstrations have been staged before the offices of U.N. agencies and the embassies of the five permanent members of the U.N. Security Council in Baghdad to demand an end to the sanctions.

XINHUA Reports Resumption of Peace Talks

OW1501001592 Beijing XINHUA in English 2248
GMT 14 Jan 92

[Text] Washington, January 14 (XINHUA)—Israelis, Jordanians and Palestinians today began to move into formal and substantial talks on peace in the Middle East.

After a two-hour morning meeting, Marwan al-Mu'ashshir, spokesman for the Jordanian delegation, said "today we have had our first Jordanian-Israeli direct negotiations along the Jordanian-Israeli track."

"We presented an agenda that included our version or our interpretation of (U.N. Security Council Resolution) 242 and the need to implement Resolution 242," he said. "We presented settlements also as part of the agenda, in addition to the issues of water, borders and refugees."

"The Israelis read to us their agenda and it basically contained two points—a peace treaty and the preliminary arrangements of that peace," he said.

The Jordanian spokesman also raised the possibility that Jordan would consider normalizing relations with Israel.

"Our vision of peace—when all issues between us are resolved—would certainly include full cooperation including diplomatic relations" with Israel, he said.

Meanwhile, Palestinian delegation spokeswoman Hanan 'Ashrawi said after the morning meeting that the Palestinians presented the Israeli side with a full agenda and a written statement during today's meeting.

The statement, 'Ashrawi said, was about "the principles on the basis of which we have entered the peace process, our statement of Palestinian rights and major issues and concerns, on our vision of how the peace process should proceed, of the transitional phase, and what it means and what it entails, the basis of international legality that should be followed."

She also said her delegation presented the Israelis with a model for interim self-government arrangements for the 1.7 million Palestinians in the Israeli-occupied West Bank and Gaza Strip.

But the Israeli-Palestinian talks was under the cloud of a threat from Israeli right-wing parties to bolt the government if the self-government for the Palestinians is offered at the Washington talks.

The Israeli negotiators only discussed agenda and procedural items, putting off discussion of the plan designed to arrange Palestinian self-government.

'Ashrawi also said "the most serious and most immediate issue that has to be resolved is cessation of all settlement activity" on the occupied territories. However, she did not make a halt of settlements a precondition to continuation of the talks.

The Israeli-Jordanian and the Israeli-Palestinian talks began today after reaching a compromise on a procedural dispute on Monday which mired the talks for weeks.

Under the compromise formula, Israel is meeting separately with Palestinians and Jordanians. The 11-member Palestinian team includes two Jordanians and the Jordanian team has two Palestinians. There will also be occasional three-way sessions to discuss procedure and issues pertaining to all three.

West Europe

Austrian Human Rights Group Visits Beijing

Li Peng Rejects 'Interference'

AU1301100892 Vienna DER STANDARD in German
13 Jan 92 p 6

[APA report: "Austrian Parliamentarians in China"]

[Text] Beijing—In talks over the weekend (11-12 January) with a delegation of Austrian parliamentarians led by Nationalrat President Heinz Fischer, Chinese Prime Minister Li Peng rejected any interference in his country's internal affairs. According to the official news agency, XINHUA, Li criticized certain forces, which he did not identify, for pursuing the goal of bringing pressure to bear on China regarding human rights issues, and he stressed the People's Republic's "political and social stability." XINHUA cited Li as saying that there are no differences between China and Austria on fundamental issues. The basic prerequisite for any dialogue is "mutual respect," Li said. In his words, China does not reject a discussion on human rights if it is conducted on "an equal basis." At the beginning of his visit on 10 January, Fischer had stressed the importance of human rights, which could not be described as a country's "internal affair."

Further on Talks

AU1401120892 Vienna WIENER ZEITUNG
in German 14 Jan 92 pp 1,3

[Heinz Fahner report: "Success for Heinz Fischer in Beijing"]

[Excerpt] Nationalrat President Heinz Fischer achieved a huge success during the visit of the delegation of Austrian parliamentarians to Beijing. PRC Prime Minister Li Peng invited Austrian human rights experts to visit China.

The fact that Fischer together with Nationalrat deputies Josef Riegler, Guenther Stummvoll, Norbert Gugerbauer, and Brigitte Ederer addressed the bloody events of June 1989 at every meeting they held with Chinese top politicians was crowned with success.

In talks with Li Peng, Fischer said that during his visit to Vienna in the fall of last year, Chinese Foreign Minister Qian Qichen indicated that Austrians could study the human rights situation in Tibet. "These important issues could also be discussed in Beijing," said Fischer to Li Peng, who replied spontaneously: "I cordially welcome the Austrian experts as our guests."

Commenting on the human rights issue, Li Peng said that the people in his country consider the right of

existence and the right of development most important. He said that this holds true for all developing countries.

Li Peng added that during his visit to India, a formulation to this effect had been included in the joint communique.

The Chinese Prime Minister said that his country did not tolerate any outside interference, "and even less can we adopt the position held by the United States, which has exterminated the Indians, as everybody knows." Fischer told WIENER ZEITUNG later on: "I am happy that Li Peng accepted our proposals without hesitation."

During his talks with Li Peng, Fischer submitted a memorandum of the VOEST [United Austrian Steel Works] concerning participation in China's third largest steel works in Wuhan. Fischer asked the Chinese chief of government to support the VOEST bid. The Linz-based company is offering the project, which has an order volume of roughly 1 billion schillings, together with a Spanish partner; however, this bid involves a higher price than the bid submitted by a German-Spanish group. [passage omitted]

Political & Social

Jiang Zemin Addresses Nationalities Meeting OW1401163392 Beijing XINHUA Domestic Service in Chinese 1258 GMT 14 Jan 92

[By reporter Cao Shaoping (2580 4801 1627)]

[Text] Beijing, 14 Jan (XINHUA)—A central nationalities work conference, the first of its kind jointly convened by the CPC Central Committee and the State Council since the founding of New China, opened in Beijing today.

At the opening ceremony, Jiang Zemin, general secretary of the CPC Central Committee, delivered a lengthy, important speech entitled "Strengthen the Grand Unity of All Nationalities, Advance Hand in Hand To Build Socialism With Chinese Characteristics." He urged party committees and governments at all levels to resolutely and comprehensively implement the party's basic line in light of realities in minority nationalities and in nationality regions, consolidate and develop socialist relations of nationalities, persist in and improve the system of regional autonomy for nationalities, further strengthen the grand unity of all nationalities, and strive jointly to realize the second-step strategic objective of modernization construction.

Li Peng, member of the Standing Committee of the CPC Central Committee Political Bureau and premier of the State Council, presided over the opening ceremony today. Qiao Shi, Song Ping, Tian Jiyun, Ding Guangen, Wen Jiabao, Ngapoi Ngawang Jigme, Seypidin Aze, Liao Hansheng, Chen Junsheng, Yang Jingren, Ismail Amat, and Luo Gan attended the opening ceremony. Some 350 representatives from 56 nationalities are participating in the conference.

Jiang Zemin's speech consists of the following four parts: 1) Great Achievements of China's Nationalities Work; 2) Fully Recognize the Protracted, Complex, and Important Nature of Nationality Work; 3) Main Tasks in Nationalities Work in the 1990's; and 4) Further Strengthen the Party's Leadership over Nationality Work.

Jiang Zemin opened his speech by conveying cordial greetings and noble tributes from the party Central Committee and the State Council to the Chinese people of all nationalities and to all comrades who have dedicated themselves to the cause of unity and progress of nationalities.

Looking in retrospect at and summarizing the great achievements of nationalities work in China, Jiang Zemin said: The achievements are reflected mainly in the following aspects: All oppressive systems against nationalities have been wiped out, and equality of all nationalities has been realized; through democratic reform and socialist transformation, problems of class oppression and class exploitation within minority nationalities have been resolved, and the socialist system has been established; by organically combining national

unity and unification with autonomy for regions where minority nationalities live in compact communities, the system of regional autonomy for nationalities has been implemented in an all-around manner; tremendous changes in the economies of nationality regions have helped solve the problem of providing enough to eat and wear for most minority nationalities, and some of them have begun to lead a comparatively well-off life; and the minority nationality regions have made big strides in their education, science and technology, culture, public health, physical culture, and other fields of endeavor. He said: In the past four decades or more, people of all nationalities have worked with one heart and one mind and made great contributions to safeguarding and promoting unification, stability, and prosperity of the motherland. The grand unity of all Chinese nationalities has withstood severe tests. We are proud to say that the grand unity of all Chinese nationalities is an important guarantee for China's social progress, economic development, and political stability.

Jiang Zemin said: The most fundamental experience of the nationalities work in China can be summarized as the following: Our party has consistently integrated the basic tenets of Marxism with the specific conditions of Chinese nationalities, and by upholding the principle of equality, unity, and mutual assistance of nationalities and the system of regional autonomy for nationalities, our party has promoted common prosperity of all nationalities and blazed a correct road with Chinese characteristics for solving nationality problems in the course of socialist construction. We must continue to steadfastly advance the cause of unity and progress of nationalities pioneered by the proletarian revolutionaries of the older generation.

Speaking on the long-term, complex, and important nature of minority work, Jiang Zemin said: Our country has 55 minority groups comprising some 100 million people. Most of the border land areas are inhabited by minority nationalities. Autonomous minority regions are vast and rich in natural resources. They account for 64 percent of the entire nation's total area. At least two nationalities live together in each of the majority of counties and cities throughout the country. This is one of our country's basic national conditions. We must fully recognize the long-term, complex, and important nature of minority work from the high vantage points of rejuvenating the Chinese nation and consolidating and developing our country's socialist cause.

In his speech, Jiang Zemin outlined the principal tasks in minority work during the 1990's. He said: The 1990's are a crucial period for our country's socialist modernization and for promoting common progress and prosperity for all nationalities. Attention should be paid to successfully accomplishing five tasks: 1) Accelerating the economic development of minority groups and regions and gradually bringing it into line with national economic development. 2) Vigorously developing social programs for minority groups and regions and promoting the overall progress of all nationalities. 3) Upholding the reform and

open policies and constantly enhancing the self-developing vigor of minority groups and regions. 4) Upholding and improving the system of regional autonomy for nationalities and implementing the "Law on Regional Autonomy for Minority Nationalities" in an all-around way. 5) Further strengthening the great unity of all nationalities and resolutely defending the motherland's unity.

Jiang Zemin stressed: The central issue of handling minority work well and enhancing ethnic unity during the new historic period is to actively create conditions for expediting the development of economic, cultural, and other programs for minority groups and regions and for promoting common prosperity for all nationalities. This is a pressing demand of the people of minority groups and regions as well as a fundamental principle in our socialist policy on nationalities.

Jiang Zemin also emphasized: Reform and opening are the only way toward achieving common prosperity for all nationalities. Minority regions should strengthen economic ties with coastal areas and exploit various favorable conditions to forge new partnerships and open new markets. They should expand the policy of opening up border land areas to the outside world in a planned and step-by-step manner, viewing such efforts as an important part of our overall open policy.

Speaking on strengthening the cadre ranks in minority regions, Jiang Zemin said: For more than four decades, thousands of cadres, workers, intellectuals, and commanders and fighters of the People's Liberation Army of the Han nationality have, in response to the party's appeal, gone to work and live in minority regions and made tremendous contributions toward the development of fraternal nationalities and the prosperity and progress of minority regions. People of various nationalities will never forget them. In the future, comrades of the Han nationality and other minority nationalities should continue to develop the fine tradition of respecting and learning from each other and make concerted and strenuous efforts to make greater contributions together toward the prosperity and development of minority groups and regions. Extensive and close ties between minority cadres and members of their respective minority groups are the central force for our party's success in doing minority work. To meet the needs of carrying out socialist modernization, conducting reform, and opening to the outside world, party committees at all levels should expend greater efforts on further intensifying the training of minority cadres, especially high- and mid-level cadres and various scientific and technological and managerial personnel. Besides increasing the number of such cadres in a planned manner, it is all the more necessary to work hard to improve quality and composition. Besides selecting from among minority nationalities a group of cadres who are capable of playing a key role during the 1990's, it is all the more necessary to pay attention to selecting and appointing a group of outstanding young and middle-aged cadres for the remainder of this century and the next.

Jiang Zemin said: Ours has always been a united, multinational country. Tempered for an extended period during the prolonged historical development, it has evolved into a Chinese nation with strong cohesive power. To enhance the great unity of all nationalities, it is necessary to oppose big nationality chauvinism as well as local nationalism. To defend the motherland's unity, we must wage a resolute struggle against a handful of separatists.

Jiang Zemin discussed the situation in Tibet at length. He said: Tibet has been part of Chinese territory since ancient times. This is an irrefutable historical fact. Since the peaceful liberation of Tibet, people of all nationalities, primarily the Tibetans, have enjoyed equal rights in politics, economics, and culture. The broad ranks of serfs have become masters of their own affairs. Besides going all out to provide direct economic assistance to Tibet, the state has enacted many preferential policies to help people of various nationalities in Tibet develop economic, cultural, educational, and other programs. It has achieved great success in this regard. This is evident to all people without biased views. Disregarding history and reality, a handful of separatists, however, have never stopped carrying out activities to split the motherland. In collusion with international hostile forces, they assume the mantle of religion and raise the national banner of "democracy, freedom, and human rights" to foment disturbances and even revolts at home in an attempt to undermine Tibet's stability and unity. They also fabricate various unfounded and false statements abroad to deceive the public and the international community, neither of which is aware of the truth. They concoct the so-called "Tibet issue" and try to give it an international dimension. China's more than 1.1 billion people of various nationalities, including the Tibetans, will never accept their conduct of betraying the nation and splitting the motherland. Here, I would like to reiterate our intention of welcoming the Dalai Lama to return to the fold of the motherland if he abandons his advocacy of Tibetan independence and ceases activities to split the motherland. All attempts to gain independence, partial independence, or independence in disguised form are unacceptable. The doors of the center are always open. Except for the issue of Tibetan independence, all other issues are negotiable. [Beijing XINHUA Domestic Service in Chinese at 1448 GMT on 14 January transmits a service message correction deleting the preceding paragraph]

On further strengthening the party's leadership over minority work, Jiang Zemin stressed: The CPC is the central force for leading our country's socialist cause and for promoting the Chinese nation's solidarity and unity. In strengthening the party's leadership over minority work, it is first necessary to steadfastly implement the party's basic line in an all-around way, to seek truth from facts, and to proceed from reality in all matters to successfully solve our country's minority problems. It is also essential to go all out to strengthen education on Marxist nationality views and the party's nationality policies among cadres and people of various nationalities. Regardless of their ethnic background, CPC members, especially cadres with party membership, should

firmly establish a Marxist world outlook and play an exemplary role in influencing and leading the people of their respective ethnic groups and other nationalities during the brave march along the road of socialism with Chinese characteristics.

In conclusion, Jiang Zemin said: Regardless of changes in the international situation, socialist China is bound to stand upright in the East more majestically, and the Chinese nation will certainly join the international ranks of advanced nations with a more heroic air, as long as people of all nationalities throughout the nation share their breath, destinies, and hearts and make concerted and strenuous efforts to accomplish the grand cause of modernization together.

Before the opening ceremony, Jiang Zemin, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, Tian Jiyun, Ding Guangen, Bo Yibo, Yang Baibing, Wen Jiabao, Ngapoi Ngawang Jigme, Seypidin Aze, Liao Hansheng, Chen Junsheng, Wang Renzhong, Yang Jingen, and Ismail Amat received delegates to the conference and had a photo session with them.

Daily Notes Systemic Guarantee of Human Rights
HK1501120892 Beijing RENMIN RIBAO in Chinese
12 Jan 92 p 5

[“Human Rights Forum” by Lei Jieqiong (7191 3381 8825). China Association for Promoting Democracy chairperson: “Peoples’ Democratic System Fundamental Guarantee for Human Rights”]

[Text] The human rights issue is a major issue that the international community is widely concerned about. Human rights refer to people's personal rights and democratic rights that they should enjoy in the state and in society. In the 18th century, in order to oppose feudal autocracy, Western bourgeois scholars put forward the theory of “natural rights” and held that liberty and equality are people's natural rights. This was affirmed by the French Declaration of the Rights of Man and of the Citizen adopted in 1789 during the French Revolution. This concept played a progressive role in opposing theocracy and feudal prerogatives and privileges. However, Marxists hold that there are no abstract human rights or human rights which transcend classes. In countries ruled by different classes and under different social systems, the concepts of human rights are different. Comrade Deng Xiaoping said: “What are human rights? How many can enjoy those human rights? Are they human rights for most people or just for a small number of people? The so-called ‘human rights’ in the Western world and our human rights are two completely different things and represent two different viewpoints.” (see “Building Socialism With Chinese Characteristics”) Only in the people's democratic states led by the Communist Party can the people fully enjoy human rights.

The basic contents of human rights in our country include the right of state independence and the people's right to live and develop. The right to live is the primary

human right that the people in our country have fought for over a long time. This is very simple. Without a full and reliable right to live and without life safety and life guarantee, a person cannot enjoy any other human rights. This has been proved by history. In old China, after the Opium War, the Chinese people suffered aggression and oppression by the imperialist powers and the exploitation and rule by feudalism and bureaucratic capitalism at home. The vast number of working people could not guarantee their own lives and lived in an abyss of misery. There were no human rights for them at all, and the working people in China also could not enjoy any democracy or freedom. After the founding of New China, the people in our country were liberated and became masters of the state with the establishment of the people's democratic government. With the realization of state independence and sovereignty, the people gained a fundamental guarantee for their survival and development. Only thus can they enjoy human rights in real terms. Therefore, the struggle to strive for state independence and to safeguard the national right to exist and to protect the people's interests constitute the starting point of our country on the human rights issue.

The scope of human rights in our country is very broad. The PRC Constitution explicitly stipulates that all powers in the PRC belong to the people. The people's congress system is the state's basic political system. The people's congress concentrates the people's wishes. Through the people's congress, the people manage state, economic, and social affairs. So, the people's congress is the state's power organ. Our country also pursues the multiparty cooperation and political consultation system led by the Communist Party, and this is a basic political system that ensures the people's democracy. Various social strata, democratic parties, people's organizations, and patriots in all fields can fully express their opinions on the state's political and social life and can play a democratic supervisory role. The people in our country not only have the political right to manage state and social affairs, but also enjoy human rights in social, economic, and cultural fields. For example, they have the right to work, select jobs, participate in production management, receive education, get housing and medical care, and enjoy old-age guarantees. Women, children, and handicapped people have the right to be protected. All people enjoy freedom of religious belief and freedom of assembly and association, and have the right to lodge complaints and accusations. All this is explicitly specified by our country's Constitution, and represents the rights enjoyed widely by our people.

The people in our country enjoy human rights equally. In our country, all civil rights for the people are not restrained by their financial and property status, their nationality or race, their sex, job, family background, religious beliefs, educational condition, or length of residence. Take the right to vote and to be elected as an example. All citizens 18 years of age or older can equally enjoy this right. On the surface, the election system in the West seems to be rather democratic, and citizens can

freely vote to decide their state leaders. In fact, however, only the bourgeois who own tremendous wealth can afford to run for the offices of congressman, state governor, and president.

Practice shows that the people's democratic system in our country is the most democratic political system that shows the greatest respect for human rights in China's history. Of course, there remain some imperfections in the human rights conditions in our country. The ongoing political and economic structural reform in our country is aimed at further improving our socialist democratic politics, further raising the level of the people's material lives, and better guaranteeing that the people can fully enjoy their civil rights and exercise their right to manage state and social life.

Academic Works 'Blacklist' Reportedly Compiled

HK1501064292 Hong Kong AFP in English 0615 GMT
15 Jan 92

[By William Brent]

[Text] Beijing, Jan 15 (AFP)—The Chinese Government is compiling a blacklist of academic works advocating Western ideas and democracy in an attempt to purge reformist intellectuals, Chinese sources said.

The ministry-level State Education Commission issued a document ordering top universities and the Chinese Academy of Social Sciences (CASS) to check all dissertations written in the last five years for "political problems."

It said the institutions would be barred from accepting any graduate students in the future if the directive is ignored, according to the sources who include Chinese professors, researchers and journalists.

The sources added, however, that the effort is meeting passive resistance and would likely fail.

China is trying to intensify ideological control after the collapse of communism in Eastern Europe. The intended purge seems to have been engineered by Communist Party hardliners who harbor a deep distrust of intellectuals.

The education commission, overseen by conservative party elder He Dongchang, 67, has especially targeted the four Beijing universities most active in the 1989 pro-democracy movement.

They are Beijing University, Chinese People's University, Beijing Foreign Languages University and China Politics and Law University.

University graduate student advisors in each department are going over dissertations written since 1986 for signs of "bourgeois liberalization," the official term for harmful Western influences.

After advisors review the works, they are to hand a list of all dissertations to university presidents for submission

to the education commission. The commission is then to review a random sampling of papers from each school.

But dissertation advisors are using the vagueness of the commission document to avoid singling any of their students, university teachers said.

"It's a stupid move on the part of the government. All it will do is further antagonize intellectuals," one professor said. "I said nothing about political content when I reviewed the dissertations."

A CASS official predicted that the intended purge would fail because the government did not have the manpower to go over thousands of dissertations and because intellectuals have learned to look out for each other.

"If they say my work has political problems, my boss will say it is a scholarly pursuit of facts. Or he will say I am too young and need to improve my understanding of Marxism and that will be it," a CASS researcher said.

"A big thing will become a small thing, which will then disappear," he said.

The main aim of the purge, the sources said, was to make sure intellectuals remained scared. Many Communist Party conservatives blame intellectuals for past anti-government movements, including the 1989 protests.

"It has been a historical trend in China for the rulers to lop the heads off of intellectuals not in their ideological camp," one orthodox party member said. "The party wants to do the same thing."

It was unclear what would happen to those academics whose works were deemed harmful to China. The most likely targets of the crackdown would be students of law, politics, the humanities and social sciences, the sources said.

Since the 1989 crackdown, the enthusiasm of university students has fallen dramatically due to the oppressive political atmosphere on campuses.

The authorities have replaced the heads of leading universities with loyal Marxists since the 1989 unrest and freshmen have been required to take a year of military training before starting their studies.

CPC Internal Documents on Peaceful Evolution

Editor's 'Foreword'

HK1401120792 Hong Kong CHIUSHIH NIENTAI
in Chinese No 264, 1 Jan 92 p 25

["Foreword" by CHIUSHIH NIENTAI editor, under the heading "Special Topic: CPC's Internal Antisubversion, Antipeaceful Evolution Materials": "Internal Publications Oppose 'Peaceful Evolution' in Big Way"]

[Text] It is absolutely impossible for the CPC to remain unmoved as they see the collapse of the former communist empire of the Soviet Union. As a result, it has

vigorously stepped up the so-called "antipeaceful evolution struggle" in an effort to stabilize the situation. An internal journal, SHISHI BAOGAO [CURRENT EVENTS REPORT 2514 0057 1032 0707], which is published by the CPC Central Propaganda Department, recently published a series of articles outlining the key features of the "antipeaceful evolution" attempt currently waged by the CPC: The focus of work in social order and security lies in "antisubversion" and "antievolution"; with cadres, it is the strengthening and deepening of "socialist education."

This journal was able to obtain some recent issues of this internal publication by the CPC Central Propaganda Department and believes it necessary to excerpt the articles so the readers may know how the CPC carries out the "struggle against peaceful evolution."

This internal publication indicated that the CPC has already designated the "antipeaceful evolution struggle" as a "long-term struggle." On social order and security, the CPC's pronounced targets are: 1) international hostile forces; 2) hostile forces and news media in Taiwan, Hong Kong, and Macao; 3) hostile elements who have "fled and settled" overseas (referring to pro-democracy activists); 4) "reactionary elements" inside the country; 5) religious activities; and 6) ethnic splittist activities (directed particularly at the situation in Tibet). On the education of cadres, aside from special features written by authoritative sources, some tough questions were listed and answers given, including questions on how to look at the transformation in East Europe and at the economic development in Taiwan, Hong Kong, and other places, and why "superior" socialism should worry about "peaceful evolution."

In publishing this series of articles, this internal publication also underscored their importance by using the "editor's note" format. The "editor's note" stated: "It is impossible for foreign hostile forces to change the policy of waging peaceful evolution against socialist states, and any changes would be at most tactical in nature." It added: "The opposition to peaceful evolution is a long-term struggle. Imperialism adopts diverse means to carry out peaceful evolution, principally by confusing the hearts and minds of people. Therefore, we should oppose peaceful evolution by starting with the ideological aspect."

Moreover, the CPC also has internal documents which identify intellectuals as the easiest object of "peaceful evolution" attempts. Hence, it was again proposed that intellectuals should be "remolded." In short, in view of the prevailing "little and big climates" both at home and abroad, the CPC holds that the main event which overwhelms all other tasks is the "opposition to peaceful evolution."

'Excerpts' of Tao Siju Speech

HK1401125692 Hong Kong CHIUSHIH NIENTAI
in Chinese No 264, 1 Jan 92 pp 26-28

[("Excerpts" of speech by Tao Siju under the heading "Special Topic: CPC's Internal Antisubversion, Anti-peaceful Evolution Materials": "Guard Against Six Hostile Forces—How Public Security Ministry 'Counters Subversion"'; first paragraph is editor's note]

[Text] This article is an excerpt of a report made by Tao Siju, Communist China's minister of public security, at the Central Party School where he spoke on how to counter "enemy subversion" and "peaceful evolution." The original text, which was published in a recent issue of SHISHI BAOGAO [CURRENT EVENTS REPORT 2514 0057 1031 0707], an internal publication of the CPC Central Propaganda Department, under the title: "Oppose Subversion and Evolution To Ensure Stability of Overall Situation," indicated that work in this area is the principal task of Communist China's Ministry of Public Security. The speech showed that the CPC has identified the hostile forces and given instructions on how to wage the struggle. Subtitles are provided by the journal's editors.

After the struggle to end the rebellion and quell the counterrevolutionary upheaval of 1989, the third generation of party Central Committee leadership with General Secretary Jiang Zemin as its core won the support of the people of all nationalities in the country for erasing the influences of bourgeois liberalization, vigorously stepping up ideological and political work, and restoring as well as fostering the fine traditions of the party. The entire country, from top to bottom, upheld the policy of "stability is the overwhelming task"; resisted pressures from all sides; smashed the attempts of foreign and domestic hostile forces and of hostile elements to stir up trouble again in April, May, and June of last year (Editor's note: 1990); and successfully staged the 11th Asian Games. To the entire world, it showed that China's political situation was stable and united, while the mental outlook of the Chinese people under the CPC's leadership was one of strong motivation and hard work. As long as we adhere firmly to the four cardinal principles and the correct policy of reform and opening up, we will be able to ensure the stability of the overall situation as well as the smooth advance of the socialist revolution and construction endeavor. However, the various hostile forces and elements both at home and abroad will not resign themselves to defeat. Not for one second will they cease their plots and sabotage activities. While the struggles between infiltration and anti-infiltration, subversion and countersubversion, and "peaceful evolution" and "antipeaceful evolution" may have changed somewhat in form, they remain very intense, and the task of safeguarding the stability of the overall situation is still very formidable. They are principally reflected in the following aspects:

Western Hegemonism, Infiltration From Taiwan and Hong Kong

1. International hostile forces have defined China as their key target and have stepped up all kinds of infiltration and sabotage activities. They have openly declared that their mission was to "promote the realization of democracy around the world" and "incorporate the Soviet Union, China, and the Third World into the Western order." Under the slogans of "democracy," "freedom," and "human rights," they mounted brazen attacks and slander against us. Early this year (1991), our trying of some criminal elements who took part in the rebellion and riots drew sharp criticism and pressure from some Western media. They continue to use people coming to China to rope in and corrupt the weaker members of our ranks in an attempt to recruit and nurture political opposition from within. Facts have shown that international hostile forces are using all kinds of legitimate and open channels to cover up their infiltration and subversion activities. On the Tibet issue, they have blatantly intervened in our country's domestic affairs by disregarding facts and distorting history. All these indicate that our struggle with international hostile forces on "peaceful evolution" and "antipeaceful evolution" is a protracted one. As Premier Li Peng pointed out: "The strategies of the West will not change. Furthermore, in the light of the prevailing international situation, a kind of new hegemonism and power politics is gradually taking shape. Their aim is directed at the socialist states and the developing countries. On this, we need to have a clear understanding."

2. Through their news media and other channels, hostile forces in Taiwan, Hong Kong, and Macao have launched an unmitigated "psychological warfare" against us and have stepped up their political infiltration. At present, the Taiwan authorities have dozens of radio stations engaged exclusively in "psychological warfare" [xin zhan 1800 2069] against us. Broadcasts in all kinds of dialects are transmitted to the mainland while new gimmicks are invented all the time. For instance, they have come up with a so-called "airwave lottery" where color televisions, stereo sets, and blue jeans are used as bait to lure mainland people, especially the young people, into making contacts with them. People were even sent to "distribute the prizes" inside the territory. They also use a variety of channels to distribute vast amounts of propaganda materials on "psychological warfare" and tirelessly manufacture rumors in order to incite and sow discord. Taiwan's "psychological warfare" propaganda has become an incentive for mainland hostile forces to carry out sabotage activities. Meanwhile, outside the country, they have actively enlisted the services of so-called "anticommunist warriors" by funding and training them in the hope that these people will bring the "Taiwan experience" and "flames of the democratic movement" to the mainland.

"Reactionary Elements" Inside and Outside Territory

3. Hostile elements who have fled and now settled overseas have stepped up their infiltration and sabotage

activities. They have openly called for an end to the Communist Party's leadership and for the overthrow of the socialist system in order to set up a so-called free, democratic, and pluralist country with respect for human rights. They also advanced political and economic proposals like the "separation of the executive, legislative, and judicial powers," "nonpoliticization of the army and police," and "development of free enterprise." Working in connivance with Western news agencies, they carry out reactionary propaganda with the use of publications, broadcasts, correspondence, and facsimiles, as well as the printing of fake copies of newspapers with layouts similar to ours. They form special teams to enlist and subvert our overseas personnel as well as those stationed in foreign organs. At some international conferences, symposiums on the China issue, and hearings, they mount slanderous attacks against us and call for the imposition of economic sanctions. They send infiltrators into the country to link up with "pro-democracy" elements in the mainland and set up underground organizations; others appear in the form of joint equity companies which are designed to establish strongholds for infiltration activities. They even called for inciting a rebellion within the army and launching "labor movements" as they openly advocate violence and call for the launching of "military coup," "coup d'état," and "bloody revolution." They even attempted to carry out terrorist activities against us, like assassinations and bombings [as published]. At present, an increasing number of people overseas have come to recognize the traitorous behaviors of these so-called "elites" who have become increasingly more unpopular. Besides, the appalling conduct and notorious reputations of the principal leaders have led to fewer and fewer supporters. Given these circumstances, they are altering their tactics by trying to change the leaders in order to salvage the situation and rally their forces. They have also changed their slogans from the abolition of the Communist Party's leadership to a multiparty rule and from the overthrow of socialism to democratic socialism; they use the slogan "reform and opening up" in order to engage us in a struggle through legitimate forms and assert that the focus of work should be shifted to the country where "a domestic work channel will be established to carry out activities in the intellectual circles, the army, and the factories." We cannot afford to be off guard regarding sabotage activities of these peoples.

4. A handful of reactionary elements in the country who are hostile to the CPC's leadership and socialism are trying to engage us in a new contention. These people include: Stubborn exponents of bourgeois liberalization, leaders and key members of illegal organizations, "second-tier forces" from illegal organizations which were already suppressed, people who were dealt with magnanimously and not pressed in terms of criminal liability following their examination and investigation in the course of ferreting out and cleaning up the ranks, people with links to international hostile forces and reactionary organizations overseas, and remnants of Lin Biao's "gang of four." After the victory in the struggle to quell

the rebellion, these people refused to accept defeat. Instead, they made secret contacts to reorganize illegal organizations, carry out underground activities, and plot the creation of an opposition party in the hope of building a political force to oppose the Communist Party and replace it once the opportunity comes along.

Religious Activities, Tibetan Splittist Elements

5. Illegal religious activities have become increasingly more prominent. These activities are mostly supported by hostile forces among overseas religious circles. They have proposed "using the 'Bible' to win over communism in China." They use different excuses to send people frequently into the territory to make contacts with illegal religious forces here, transmit the "directives" of churches outside the territory, secretly transport religious propaganda materials, establish secret contact points, and plot to set up nationwide underground religious organizations with a view to fragmenting and toppling the patriotic religious forces and seizing the church's leading authority so that our country's religion will evolve into an antigovernment force subservient to foreign forces. Illegal religious organizations which have been outlawed have resumed their activities in certain localities, while some new ones have also emerged. A serious case also appeared in certain grass-roots areas, particularly in some rural regions, where religious organizations intervene in administration, judiciary affairs, and education. Reactionary superstitious sects and secret societies have also been very rampant in resuming their activities as some peasants failed to make the distinction between religious freedom and the activities of these sects and societies. Some of these reactionary sects and societies openly carry on with their activities under the banner of "religious freedom."

6. Ethnic splittist activities never cease. Under the conspiracy and instigation of the Dalai Lama's clique, several riots and disturbances have broken out in Lhasa in recent years. When Tibet marked the 40th anniversary of its peaceful liberation on 23 May this year (1991), a small number of splittist elements were busy in their bid to sabotage the celebration activities and stir up trouble. Reactionary banners, leaflets, and "snow leopard banners" appeared successively in some main temples and monasteries and in the vicinity of Bargor Street of Lhasa. Some ethnic splittist elements publicly vowed that "they would make it impossible for the Han people to carry on with the 40th anniversary celebrations." In view of this grim situation, the public security organs carried out meticulous deployments and stood in combat readiness, smashing the enemy's plot and enabling the celebration activities to proceed smoothly. A small number of splittist elements remained defiant, and on the afternoon of 26 May, seven lamas from the Sera Temple took to the streets to demonstrate and shouted the slogan of "Independence for Tibet"; they were quickly taken away from the scene by our police officers and armed police. In other ethnic-inhabited regions, some banners, leaflets,

and political rumors which sow dissent among the various nationalities, undermine ethnic solidarity, and incite ethnic division have also appeared from time to time.

Long-Term Existence of Class Struggle

The fundamental reason for these problems is the fact that class struggle will continue to exist for a long time within a given scope in the initial phase of socialism. Our struggle with hostile forces and elements will definitely be a protracted one. The resolutions of the Sixth Plenary Session of the 11th CPC Central Committee explicitly stated: "After the exploitative class is destroyed as a class, class struggle will no longer be the principal contradiction. But because of domestic factors and international influences, class struggle will continue to exist for a long time within a given scope and may even intensify under certain conditions. Thus, it is necessary not only to oppose the viewpoint of expanding class struggle, but also the viewpoint which holds that class struggle has ceased to exist." This is a scientific summation of the state of class struggle in the new period.

The tree may prefer calm, but the wind will not subside—class struggle exists objectively, regardless of the shifts in people's intentions. To smash the various sabotage plots of the hostile forces and elements both at home and abroad and ensure the stability of the overall situation, it is, first, necessary for us to bolster the concept of class struggle and uphold the people's democratic dictatorship. Comrade Deng Xiaoping recently pointed out: Dictatorship is the most essential issue in Marxism. At no time did I make a compromise on the four cardinal principles. The people's democratic dictatorship cannot be discarded. At the Seventh Plenary Session of the 13th CPC Central Committee, General Secretary Jiang Zemin explicitly pointed out: "We should continue to uphold the people's democratic dictatorship and bolster the building of democracy and of the legal system under the new historical conditions. In the four cardinal principles, the people's democratic dictatorship is as important as the three other principles." The instructions from Comrade Deng Xiaoping and General Secretary Jiang Zemin profoundly illustrated the important significance of upholding the people's democratic dictatorship under the new situation; they sounded the alarm and pointed the direction for us. We should have a deep understanding of the hallmarks and laws of class struggle in the initial phase of socialism, keep a clear head, voluntarily adhere to the policy of "stability as the overwhelming task," and define the safeguarding and continuing consolidation of social stability as the primary task and relentlessly grasp it well in order to ensure the smooth realization of the second-step strategic objective of the modernization and construction endeavor. Second, we should step up vigorously the struggle against the enemy and closely monitor the schemes and activities of hostile forces and elements both at home and abroad in seeking to split the motherland, subvert, incite, and others. In particular, we should be vigilant against the collusion between hostile elements

who have penetrated among us and hostile forces outside the territory, and of intelligence activities and all forms of counterrevolutionary activities carried out in connivance between forces from within and without. It is necessary to raise continuously the capacity to detect the plots and activities of hostile elements, pay attention to the tactics of struggles, and upgrade the level of struggle. Third, under the leadership of the party committees and governments, efforts should be made to prevent actively and deal properly with all kinds of emergency cases which affect social stability. It is necessary to sum up seriously the experience and lessons gained from the prevention and handling of emergency cases in the last few years, and improve the performance of the task. Concerning incidents like petitions and demonstrations stemming from issues affecting the people's interests, all departments in charge should, under the unified leadership of party committees and governments, work in close coordination in order to do a good job in dissolving matters and educating people, and try as much as possible to prevent the conflict from worsening and escalating. Those who violate the law, particularly those engaged in beating, smashing, looting, and arson, should be stopped resolutely, with the leading elements subject to legal trials. It is necessary to distinguish correctly and deal properly with contradictions of varying natures and nip the problems in the bud as much as possible.

Cadre 'Doubts' About Socialism

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[Article by Yu Chi-wen (0151 7162 2429) under the heading "Special Topic: CPC's Internal Antisubversion, Antipeaceful Evolution Materials": "Soviet, East European Changes Caused by 'Poor Leadership'—How CPC Dispels Doubts on the Part of Cadres"; first paragraph is editor's note]

[Text] It is inevitable that the CPC should be nervous seeing the collapse of the communist regimes in East Europe and the Soviet Union. Moreover, the perennially inferior performance of the socialist economy has given rise to all kinds of doubts within the cadres' ranks as they believe it impossible to carry on with the red banner. Consequently, an internal publication of the CPC's Central Propaganda Department issued a question-and-answer article entitled "An Analysis of Problem of Doubts in Socialist Ideological Education" which was directed at the ideological state of the cadres' ranks and intended to "firm up the conviction of party members." The following commentary is compiled based on the questions and answers selected from several issues of SHISHI BAOGAO [CURRENT EVENTS REPORT 2514 0057 1032 0707], an internal publication of the CPC's Central Propaganda Department.

Problems Admitted by CPC

First, under the prevailing "international big climate," what are the kinds of doubts which have appeared within the

CPC's cadres ranks? According to a list made by an internal CPC publication, the principal doubts are as follows:

1. How should one look at the evolution in East Europe? Can the CPC hold on to the red banner to the end? In other words, since it is asserted that socialism is good, how come so many socialist states have collapsed? Was it because of poor leadership by the Communist Party, or because of problems with the socialist system? Does it indeed lack the vitality to carry on?

The CPC's internal publication inserted "notes" on this series of questions, admitting that "the communist movement is presently at a low ebb, as the cause of world socialism has suffered a serious setback." Therefore, it is necessary for cadres to "firm up their conviction on the basis of scientific understanding and not be shaken by the whirlpools of history."

2. Since socialism is said to be superior and accepted by the people, how come there is concern about "peaceful evolution"? What is the fundamental reason behind the transformations in East Europe and the Soviet Union?

To this series of questions, the internal publication also maintained that "it is a very realistic issue, regarding which, unless correct answers are found and meaningful new arguments presented, some people would think: 'Talk about socialism being good is false; because of the lack of justice on one's side and of self-confidence, the fear of change is very real.' They may even blame the evolution in these countries on the socialist system itself."

3. How should one look at the economic situations and development in Taiwan, Hong Kong, and Japan? Is it not said that capitalism is no good? Why is it that the mainland is economically inferior to Taiwan, Hong Kong, and Japan?

The "note" inserted by the internal publication is: "These cases are misleading. Advocates of liberalization have whipped up a view which claims that only the capitalist road can lead to prosperity.... [ellipses as published] Some of our comrades have been similarly bewildered by these cases and began to doubt about insisting on the socialist road."

Aside from poor economic performance, the presence of opposition parties in Western politics as well as the absence of constitutional provisions for the party's leadership and for command of the army by a political party constituted a contrast as well as a problem which the CPC's theoretical authorities believed was causing doubts among cadres.

Prepared for 280-Year Struggle

What kind of guidance does the CPC offer its cadres in view of the aforementioned problems?

I. Theoretical authorities advanced three points on the questions concerning the evolution in East Europe as well as on whether socialism can carry on or not:

1. While the socialist system is superior, the key lies in correct leadership by a strong proletarian political party. The CPC maintains that the evolution in East Europe and the turbulence in the Soviet Union do not belie a problem in the socialist system itself but in "poor leadership." Hence, it is necessary "to learn from this lesson" by "stepping up party building," "keeping control of the overall situation in external and internal struggles," "absolutely not allowing any political factions within the Communist Party," and training successors in order to ensure that leadership at all levels "is held in the hands of people faithful to Marxism."

2. History does not march in a straight line, and the reform of the socialist system will have to undergo a tortuous and complexed struggle. Capitalism triumphed over feudalism only after more than 250 years of contention; socialism is only some 70 years old, dating back to the Soviet Union's October Revolution. There will be "no change" in the "great trend" of socialism's eventual victory over capitalism, but there will be "setbacks."

3. During the war of resistance against Japanese aggression, Mao Zedong, in his article entitled "On Protracted War," said: Victory will only come after the three stages of "strategic defense, strategic stalemate, and strategic counterattack." Socialism's final victory over capitalism "will probably take 'three 70-year periods'": The period from the Soviet Union's October Revolution to the late 1980's marks the "first 70 years" with the West gaining an edge in economics and technology; the "second 70 years" lasts from now to the year 2050, during which the West's "peaceful evolution" will be resisted; "efforts will be made to catch up with and surpass the West" in the "third 70 years." "Even if the 'three 70-year periods' should be insufficient and 'four 70-year periods' are needed, this will only come to 280 years." Hence, "from a historical point of view, there is no need to feel lost, pessimistic, or disappointed" in the wake of the evolution in East Europe and the turbulence in the Soviet Union.

Three Reasons Behind Fear of Evolution

II. The CPC believes there are three reasons behind the concern regarding the peaceful evolution of socialism, namely:

1. Capitalism is an old system to which people have grown accustomed and which has developed "historical inertia"; on the other hand, socialism is a new system to which people are still not accustomed and have not "completely understood and adapted to." The old system may be resurrected with the use of historical inertia and peaceful evolution carried out without any need to resort to violence.

2. Capitalism is centered on "low" individual interest, while socialism advocates that individual interest should serve the "higher" interests of society. Individual interest can be understood and voluntarily pursued through directly perceived senses, while social interest is indirectly linked to individual survival and the quality of life; there is no voluntary pursuit unless after education

is carried out. Hence, hostile forces can "confuse and incite through this voluntary nature."

3. So far, all socialist states were previously underdeveloped economically and so, it is easy for people to get the "wrong impression" that socialism is not as good as capitalism, and thus allow for "possible infiltration of Western ideas and proliferation of bourgeois liberal thinking."

Meanwhile, the CPC maintains that the real danger lies in "imperialism's undying wish to see our downfall and the sabotage by hostile forces within the country." Given these circumstances, it is necessary to uphold firmly the four cardinal principles and not slacken at all.

The CPC also believes that the fundamental reason behind the transformations in East Europe and the Soviet Union lies in the following: "Their abandonment of the leading position of Marxism-Leninism" and "engaging in pluralism"; "the abolition of the legality of the Communist Party's leadership in the constitution" and the introduction of "multiparty system"; "tolerance of the rampant activities by anticommunist, antisocialist forces" under the banner of democratization; and "meek submission in the face of imperialist pressure."

What Do Japan, Taiwan, and Hong Kong Amount To

The internal CPC publication also offered explanations concerning the economic superiorities of Japan, Taiwan, and Hong Kong so cadres will not be "confused."

Concerning Japan, the CPC pointed out that Japan was already an industrial country in the pre-war period and had "pre-war legacies." After the war, it flourished because of low defense expenditures, U.S. support, and administrative intervention by the state. Meanwhile, China was not an industrial state. After the war of resistance against Japanese aggression, it endured a civil war and then had to help both Korea and Vietnam. But the Chinese mainland continued to experience a fairly rapid economic growth rate, and only paled in comparison to Japan during the "Great Leap Forward" and the "Cultural Revolution."

Concerning Taiwan, the CPC claims that Taiwan's past industrial level and per capita output value were higher than those of the mainland. Furthermore, the KMT [Kuomintang] carted away 2.73 million taels of gold from the treasury when it moved to Taiwan, and later received U.S. assistance. The mainland has a population which is more than 50 times that of Taiwan and never possessed any of these unique conditions. "As long as the mainland committed no mistakes," its "take-off" speed was not inferior to that of Taiwan.

The CPC maintains that Hong Kong became "prosperous" in the last few decades primarily because of the economic prosperity in the mainland. As Communist China struggled against the embargo imposed by imperialism, some capitalists in the West, trying to make

money, used Hong Kong as the transit point, leading to Hong Kong's prosperity, something "even London could only watch helplessly."

In short, whatever comparisons are made, it is the CPC's contention that socialism cannot be said to be inferior to capitalism.

As for questions which cause confusion among the cadres, such as the presence of opposition parties in Western politics, and the absence of constitutional provisions for leadership of a political party and for a command of the Army by a political party, the internal CPC publication also "questioned" these one by one. Naturally, the conclusion is always the same: The need to uphold the Communist Party's leadership. Based on this series of questions and answers, it is certain that doubts have emerged within the CPC's cadre ranks given the current situation. Therefore, the high authorities have provided education and direction as well as urged against "panic and confusion." Actually, everyone is only too aware of whether or not this education and direction will work.

Warning on 'Taking Capitalist Road'

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[Article by Yu Xinyan (0205 2450 1693) under the heading "Special Topic: CPC's Internal Antisubversion, Antipeaceful Evolution Materials": "Taking Capitalist Road Will Only Lead to Turmoil—Warning From Authoritative Person"; first paragraph is editor's note]

[Text] To unify the thinking of cadres, CPC organs at all levels met to discuss specifically ways to deal with the current situation. This article was the speech of an authoritative person at the meeting; he spoke on two issues: 1) Can socialist states become prosperous through peaceful evolution? 2) How should the imperialist menace be treated? The speech was later published in SHISHI BAOGAO [CURRENT EVENTS REPORT 2514 0057 1031 0707], an internal publication of the CPC's Central Propaganda Department, under the title "Can Socialist States Achieve Prosperity Via the Path of Peaceful Evolution?" Subtitles are added by the editor and certain passages deleted.

The changes in the international situation have given rise to certain concerns among the people: What is to be done in case the focus of peaceful evolution by imperialism is directed at us? What is to be done as the target of Western hostile forces shrinks? What is to be done in the face of worries that changes in East Europe and the Soviet Union will blind many to the superiorities of socialism and make them refuse to uphold the socialist road? To arrive at a correct understanding of these problems, it is necessary, first, to have a correct analysis and understanding of the international situation as well as of our tasks.

Deterioration of Soviet Union Because of "New Thinking"

Looking at the situation in the socialist camp, some East European countries and even the Soviet Union have now taken the capitalist road. But these countries together only account for some 300 million people, while we are 1.5 billion strong. This means the entire socialist camp has not collapsed. Even looking at the situation in East Europe and the Soviet Union, it has also not been proven that socialism has failed. Take the Soviet Union, for instance; the industrial level of all Russia before the October Revolution was only one-thirtieth of that of the United States. Under the leadership of Lenin and Stalin and up until the death of Stalin, the actual industrial level of the Soviet Union already exceeded half of the U.S. level. Later, following the turmoil under Khrushchev and then through the era of Brezhnev—described as a period of stagnation by the Soviets, that is to say, a period of little construction—the Soviet Union was still able to maintain the same proportion vis-a-vis the United States; it was the world's second superpower. The dramatic fall of the Soviet economy today, which took place since Gorbachev assumed the leadership six and a half years ago, is the outcome of the "new thinking." This can only prove that taking the capitalist road is no good, not that the socialist road does not work.

Can socialist states achieve prosperity by taking the capitalist road through peaceful evolution? Or will they achieve prosperity at a speedier rate than if they did so via the socialist road? Does such a possibility exist? Some people say: I do not know much about isms, but I will support anything and anyone as long as life is good. Will the people's livelihood improve regardless of who is in power? The results of the changes in East Europe in the past two years are: Decline in the people's living standards, rise in commodity prices, closure of factories, and increased unemployment. Some people engaged in liberalization today claim that these are "labor pains." When they were advocating evolution in the past, they never mentioned "labor pains." Now that problems have arisen, they use "labor pains" as a pretext and continue to make empty promises, claiming that things would improve once the "labor pains" are gone. Well, how long will these "labor pains" last? Definitely not two to three years. But what about 50 years? Will the pains last 30 to 50 years? And will things improve after the pains are gone? This matter has to be clarified in a fundamental manner.

West Cannot Help East Europe

We can say categorically that generally speaking, it is not possible for the former socialist states to achieve prosperity via the capitalist road. Is it then possible for small, individual regions? Yes! It can work, just like what the United States did to Taiwan in the early years, when it poured efforts and investments in a region with a population of 1.2 million. With more than 30 billion dollars from the Americans and some 3 million taels of gold which Chiang Kai-shek carted away from the mainland—with so much money thrown into a place where the population was a mere

1.2 million, naturally the fixed per capita output value would be high, as were its labor productivity rate and per capita income. But what was the purpose behind their action? There are many regions and small countries with a population of 1.2 million in this world, but why did the Americans choose to help Taiwan? The United States did so as a means to deal with the Chinese mainland because the latter pursues socialism. By helping Taiwan, it wanted to create trouble for us, side against us, and undermine our socialist construction. Today, the East European states add up to more than 300 million people. Can they depend entirely on Western help to get rich? That is not possible.

1. Imperialism has no such plans. Since the advent of capitalism, no single rich man in this world would want others to be as rich as he. No rich person would feel this way. Today, the United States accounts for 5 percent of the world's population and consumes 40 percent of the world's petroleum. It is possible for it to achieve a lifestyle where everyone moves around in a car. But if the 300 million people in other countries also enjoy the same lifestyle, then petroleum would no longer be available at the current price. It would not be possible to purchase oil at the existing oil prices, and Americans would not be able to maintain their current lifestyle, thus resulting in a collapse of the American society. How can the United States want you and I to become developed countries like it? It is absolutely impossible for it to nurture such a plan. U.S. politicians have publicly declared that they do not want to save the Soviet Union, but rather to weaken it and cause it to disintegrate so that it will not turn into a rival of the United States. Capitalists spend money for one purpose: The pursuit of profits and excess profits in order to make more money. They will spend money on you before you change, but once you have changed, they will not feel any more need to spend money. After all, they have already achieved their ends, and there is nothing else to buy up. Today, there are some people in some countries seeking 150 to 250 billion dollars from the United States—this is plain wishful thinking. The proof is that some East European countries have not received any money in the two years since they were transformed.

Such is Case of West Germany Vis-a-Vis East Germany

2. Even if there is such a plan, they have neither the money nor the patience to help a region of several hundred million people get rich. If changing a system can lead to prosperity, then the countries of South America should have been prosperous long ago, as they have been pursuing a capitalist system for a long time. But they have failed to prosper. Today, it is primarily Germany which really spends money in the former socialist region. West Germany has annexed East Germany and formed one single country; because West Germany harbors ambitions for European and world hegemonism, it needs to build the entire Germany into a base. At present, there are only two countries that have the cash: One is Germany, and the other is Japan. So far, in less than two years' time, how much has Germany spent in the former East German region? It is not easy to come up with an

accounting on this matter. Conservative estimates claim that some 100 billion marks have already been spent, while some economists put the figure at 170 billion marks. The eastern region only has a population of 1.7 million. This means that some 10,000 marks, or \$6,000, has been spent on each East German. Yet with so much money already spent, unemployment is on the rise and living standards have fallen, while social unrest is growing, in East Germany. It has turned out that according to a calculation made earlier, absorption of East Germany would require 100 billion marks. It now seems that the 100 billion mark-barrier has been surpassed. Some people said that an additional 200 billion to 300 billion marks will have to be spent. Will this be enough? A Japanese had made the following calculations: If the production level in East Germany is to be brought to the existing level in West Germany, excluding the software-type factors of technicians' level, management system, and quality of workers, and taking into consideration only one factor—per capita fixed assets (the former East Germany's per capita fixed asset figure was one of the highest in the world and the highest in the socialist bloc), how much money would be needed using the existing West German standards? His answer: 2,200 billion marks. Where can one find such an astronomical amount? Not even in 10 years' time. Today, taxes in West Germany have gone up, as have commodity prices. The popularity of Chancellor Helmut Kohl, the "hero" of German reunification, has also plummeted. If such is the case of West Germany vis-a-vis East Germany, the situation with other countries is only too evident.

Old China Tried but Failed

3. Economic development depends not only on the availability of machinery and techniques, but also on one other thing: Is there or is there not a market where the products can be sold? Since the introduction of capitalism, countless wars have been fought over the possession of markets! One makes money when one manages to sell one's goods. Ideally, the goods should be sold in a place where goods are exchanged at an unequal value. If we use an hour of labor to exchange for a product requiring 10 hours of labor, naturally we would prosper very quickly. Is this still possible in the world today? The world today is not what it was 200 or 100 years ago, nor what it was in the 18th and 19th centuries. Division of the world market was not yet complete then, so all capitalist powers sought their own territories everywhere. When capitalism entered the imperialist stage at the end of the last century and early this century, two world wars were fought in the struggle for markets. Today, the division of the world market is already complete. If the former socialist states are to be given a chance to promote capitalism, the veteran imperialist states would have to give away their markets. No capitalist would do such a thing. Therefore, the three factors, namely, subjective, objective, and market factors, determine that these countries cannot turn into developed countries via the capitalist road.

Some people maintained that these are our own analyses. They asked: Why not try? Actually, an attempt had already been made. Old China took up such a road but failed to prosper. At that time, the United States only helped Chiang Kai-shek fight the civil war, but did not help China develop. In fact, it hit at China's indigenous industries. A young U.S. diplomatic historian once wrote a book on U.S. pre-1952 cultural policy based on materials from the archives of the U.S. State Department. A section of the book spoke about the U.S. policy on foreign students in 1948: The policy on Chinese students was primarily to train students in the study of humanities and social sciences so they can serve as a vehicle to spread U.S. concepts. It added: This policy was to be used to "deal" with young people sent by the Chinese Government to study science and technology in the United States. At that time, the Chinese Government was Chiang Kai-shek's KMT [Kuomintang] government, a running dog of the United States. Even when this kind of government sent its people to study science and technology in the United States, the U.S. Government already showed its reluctance and had already formulated a policy to "deal" with it. This was clearly written in the archives of the U.S. State Department. Hence, even if we take the capitalist road and turn into vassals of others, they still do not wish to see us prosper. The attempt has been made and history has stood witness to it. Besides, casual experiments cannot be allowed when it concerns the fate of 1.5 billion people. Once we take up the evil road of peaceful evolution and discover our mistake, it would be too late to turn back. It would be very difficult to be emancipated again.

No Peace in Soviet Union, East Europe

The Soviet Union today is going through very rough days. People around the world are all talking about how they will survive the winter this year. What about food? The Soviet people boast of a per capita arable land surface of nearly seven times that of China; what have they done to be facing such dire food shortages! What about coal? Their only hope now lies in money from foreigners. If a policy and a guideline is established on the basis of cash from other people, this in itself proves that the policy is wrong and cannot possibly save the country.

East Europe used to be the tinderbox of Europe. The countries and borders here have historically been unstable. The decades following the end of the Second World War were the most stable years. The reason was the signing of the Yalta agreement, whereby the United States and the Soviet Union defined their respective spheres of interest and a number of socialist states were born. Today, the communist faith has been discarded, while the Yalta agreement is no longer valid; the U.S.-USSR "balance of power" has been broken. Under these circumstances, some people have come out to settle old scores, making ethnic feuds inevitable and peace unlikely in this region. The two world wars both originated in East Europe. Under the capitalist concept of value, self-interest and individualism are the highest criteria used to judge an issue; therefore, it is but natural

that ethnic egoism should be on the rise. Is it possible to have peace reign in the world? No!

The Soviet Union is a multiethnic country where ethnic minorities make up half of its population. Over the past decades, a shared conviction in communism united these ethnic groups together. Today, with the communist faith negated, and Russian nationalism and ethnic separatism flourishing, the conflict is bound to grow increasingly more acute and peace unlikely to materialize.

Therefore, we can only draw this conclusion: By taking the capitalist road, a socialist state will only end up with turmoil, catastrophe for the people, polarization, and exploitation and domination of the working people by a small number of profiteering exploitative elements and compradors. The outcome can only be thus.

Need To 'Remold' Intellectuals

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[Article by Hsi Wen (2907 2429) under the heading "Special Topic: CPC's Internal Antisubversion, Anti-peaceful Evolution Materials": "CPC Again Mentions Need To Remold Intellectuals"]

[Text] The CPC claimed in a recent internal document on opposition to "peaceful evolution" that intellectuals have become an important target in the Western countries' attempt to achieve a "peaceful evolution" of socialist states. It stressed once more the need for intellectuals to receive "reeducation" in factories and countrysides and to carry out long-term ideological transformation.

Why Are Intellectuals Targets?

This document said: The reason intellectuals have become an important target in the "peaceful evolution" endeavor is because "intellectuals are mental workers who earn their social standing through the fruit of their own labor and lean easily toward the values and concepts of individual freedom, democracy, and human rights. Through the media of the press, broadcasts, books, movies, television, music, dance, dramas, literature, fine arts, education, sports, health, and science and technology, the West wages ideological and psychological warfare whose first captives are educated people with weak resolve. And it is very easy for young university students who lack practical experience and who do not understand the law of social development to develop a blind pursuit of Western civilization and take the lead in spreading bourgeois liberalization and stirring up political turmoil. The intellectuals within the Communist Party, especially those with influence and in a position of power, thus become an important target in the "peaceful evolution" carried out by the international bourgeoisie.

Therefore, the document stressed: "We should not run away from this fact. The intellectuals within the party

should face this fact seriously, conscientiously transform their world outlook, and foster a resolute communist world outlook."

From Democracy Wall to 1989 Student Movement

The document recalls: The problem of a handful of intellectuals within the CPC engaging in bourgeois liberalization may be traced to early 1978. At that time, a "theoretical affairs conference" was convened within the party with the original intention of restoring order in the ideological front and purging the party of a long-existing incorrect thinking of "leftism." But a handful of people from the party intelligentsia "went immediately from one extreme to another extreme, totally negating Mao Zedong Thought, and even voicing doubts about the party's leadership and the socialist road. They also responded to the political activities of the "Xidan democracy wall" and formed a wave of incorrect rightist thinking." In the subsequent years, it was always this wave of "rightist thinking" which carried out attacks and forced retreats alternately as the struggle continued.

The document claimed: During the university student unrest in the country in late 1986, Deng Xiaoping, in a meeting with a foreign president, stated: "In the case of the unrest by university students, the primary responsibility does not lie with the students but with the instigation by a handful of people with ulterior motives. In particular, these included primarily a small number of top intellectuals within the party." But this view did not attract much attention at that time. And especially after Zhao Ziyang became general secretary, not only did he fail to pay attention to this problem, but he actually tolerated and even bestowed important responsibilities on those intellectuals engaged in bourgeois liberalization within the party, allowing them to become a political force and even instigate the more organized and better planned big upheaval of 1989. "This lesson cannot be forgotten."

East Europe's Intelligentsia Ruin of Socialism

The document pointed out: In waging "peaceful evolution," the international monopoly bourgeoisie places considerable weight on the intellectuals, attaching particular importance to "intellectuals in power within the party." In an article published in a 1970 issue of the U.S. journal, FOREIGN AFFAIRS QUARTERLY, Brezhinski (former U.S. presidential national security adviser) said: The countries of East Europe have a number of intellectuals in power and not a few of them have expressed great admiration for the social democracy of northern Europe. The West should encourage these fine elements in power to promote the peaceful evolution of the East European countries. The document asserted: "Facts have shown that the observation of this politician from the monopoly bourgeoisie was consistent with reality, and that this kind of people did exist in the upper hierarchy of the working class parties of East Europe and played an important role in the upheavals of 1989."

To this end, the document cited Hungary as an example: Hungary's "counterrevolution" of 1956 began with the "Petofi" club launched by a number of intellectuals. The recent collapse of Hungary's ruling party, the Hungarian Socialist Workers' Party [HSWP], and the "subversion of the working class' political regime" "came about in the hands of intellectuals engaged in liberalization within the party." A so-called "(Luojitailai) [3157 1015 3141 5490] conference" was convened on 27 September 1987 where many intellectuals held discussions on various existing problems in Hungary as well as on the country's future direction. From this emerged different kinds of political organizations made up of intellectuals engaged in liberalization who then "launched brazen attacks against the HSWP's leadership and socialism under the banner of democracy, freedom, and human rights." In October 1989, the HSWP held an extraordinary congress "which voted to change the party to the Hungarian Socialist Party and to shift its beliefs to democratic socialism." Later, this party "would lose its ruling position and collapse." "It should be noted" that of the 1,300 delegates to this congress, intellectuals made up 90 percent of all delegates. "It was these bourgeois liberalization intellectuals who were the ruin of a socialist state."

As for the "peaceful evolution" of the other East European states, the document maintained a study of the incidents "reveal that many of their leading personalities were intellectuals." The opposition figures who assumed power in Czechoslovakia and Bulgaria were all intellectuals. In Poland, the leading figure of Solidarity may be a worker, but his advisers are intellectuals. Poland's former prime minister Tadeusz Mazowiecki was a reporter and a principal adviser of Lech Walesa.

Not Advanced But Reactionary

The CPC document also emphatically criticized the "reactionary propaganda" which claimed that "intellectuals represent the most advanced element of China since the time of the 4 May Movement."

The document said: The political forces which had stubbornly clung to bourgeois liberalization a few years ago had once whipped up an ill wind touting a "politics of the elite" and sowing discord in the intellectuals' relations with workers and peasants, and with the party. They advocated an "absurd theory" which maintained that the intellectuals represented China's most advanced element since the time of the 4 May Movement, but that because of the CPC's incorrect policy of taking the road of integration with workers and peasants and of making the most advanced intellectuals accept flawed reeducation from workers and peasants, social progress was stopped. Hence, it was necessary to reaffirm the leading position of intellectuals in Chinese politics.

The document added: This kind of "absurd theory" is "not consistent with facts," pointing out that the intelligentsia in effect was not an independent class. It was fragmented in old China and was never a whole body. "Because of the history

of old China, most members of the intelligentsia depended on the old society for their survival, with a few of them turning into accomplices of successive reactionary regimes, and others becoming traitors to the nation and organizers of puppet governments."

Qiao Shi on Political Work in Security Organs

*OW1401223592 Beijing XINHUA Domestic Service
in Chinese 1220 GMT 14 Jan 92*

[Text] Beijing, 14 Jan (XINHUA)—In a meeting today with delegates to a national conference on political work in state security agencies, Qiao Shi, member of the Standing Committee of the CPC Central Committee's Political Bureau, said: Political work is the leading task for state security agencies. It is necessary to arm the ranks of state security cadres with communist ideals, socialist convictions, and patriotic thought. It is also necessary to carry out relevant ideological and political work thoroughly and meticulously, so as to deeply motivate, educate, and inspire the people to make greater contributions to defending national security, promoting economic construction, and building socialism with Chinese characteristics. He extended regards to comrades engaged in political work and wished the conference success.

The conference opened in Beijing on 11 January. At the conference, Minister of State Security Jia Chunwang made a report on keen efforts to strengthen political work in state security agencies and to bolster the ranks of state security cadres. Directed by the guidelines of the Fourth Plenary Session of the 13th CPC Central Committee and relevant party Central Committee documents on strengthening state security work, the conferees summed up experiences gained in political work since the Ministry of State Security's formation; studied new circumstances and problems regarding political work in state security agencies and the buildup of security cadre forces; and defined guiding principles, primary tasks, and measures to be applied for a certain period in the future when carrying out political work in state security agencies.

The conferees said: During the eight years since the Ministry of State Security's formation, state security agencies at all levels have worked under the leadership of the party Central Committee, the State Council, and party committees and governments at all levels to earnestly implement the line, principles, and policies pursued since the Third Plenary Session of the 11th CPC Central Committee. They have paid equal attention to performing their duties and building up their own ranks; kept to the principle of "exercising strict police management"; and worked spiritedly to strengthen party building, to reinforce their own organizational buildup, and to bolster ideological and political work. They have also taken firm actions to promote a clean and honest government and the performance of security duties in accordance with the law. This has strengthened political work in state security agencies and markedly improved the political and professional levels of security cadres, making them capable of withstanding all sorts of tests.

The conferees noted: In the field of political work, state security agencies are faced with new circumstances and problems arising from new developments and changes currently taking place at home and abroad. Security cadres face challenges in opposing peaceful evolution, carrying out reform and opening, developing a commodity economy, and directing security work. State security agencies should be guided by Marxism-Leninism-Mao Zedong Thought in carrying out political work. They should inherit and carry forward our party's fine tradition of conducting political work; follow and serve the party's basic line during the initial stage of socialism; and work to ensure the party's absolute political, ideological, and organizational leadership over state security work, as well as the completion of various tasks assigned to them by the party and the people.

The conferees urged state security agencies at all levels to rally closely around the party Central Committee with Comrade Jiang Zemin as the core; to work energetically, actively, and assiduously; and to usher in the party's 14th National Congress with practical actions.

Marxist Study 'Lifelong Task'

*OW1401233592 Beijing XINHUA Domestic Service
in Chinese 1248 GMT 14 Jan 92*

[By Central People's Broadcasting Station reporter Tian Shanchuan (3944 1472 1557) and XINHUA reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 14 Jan (XINHUA)—Qiao Shi, member of the Standing Committee of the CPC Central Committee's Political Bureau and president of the Central Party School, today emphasized the need for every communist to pursue the study of Marxism as a lifelong task.

Qiao Shi made the remark during a meeting with students attending the Central Party School's advanced study class II and a class offering refresher courses to philosophy and economics teachers from the theoretical departments of various party schools.

Qiao Shi wished the students success in completing their studies. He expressed the hope that the students will continue to pursue studies unremittingly and persistently after they return to work.

Qiao Shi said: In studying Marxism, efforts should be made to understand and master the spiritual essence of Marxism. Attention should be paid to linking theory with practice and to applying Marxist stands, viewpoints, and methods in analyzing, studying, and resolving practical problems in China.

Qiao Shi stressed: The study of Marxism is mainly a study of fundamental principles. This means the study of principal works on Marxism, including writings by Comrades Mao Zedong and Deng Xiaoping. It is necessary to understand and master those works, combine study with practice, learn how to apply what one has studied, and

promote a party-wide common practice of studying Marxism with the help of the school's graduates.

The advanced study class II of 523 students mainly includes cadres from departments at the prefectural level. The other class of 46 students includes some backbone teachers from party schools in provinces, prefectures, and cities. The students of the two classes, numbering approximately 600, will graduate on 18 January.

'Formalism, Red Tape,' Social Dealings Criticized

HK0801141592 Beijing RENMIN RIBAO in Chinese
3 Jan 92 p 1

[Commentator's article: "Seriously Overcome 'Three-Many' Phenomena"]

[Text] Too many meetings, documents, and social dealings are salient problems that affect the leading cadres of some organs in doing work well and in a down-to-earth manner. It was said that some people in a certain place composed several jingle verses as follows: "In work, many meetings are held and many documents are sent and visitors are welcomed and seen off; in the solution of problems, responsibility is shirked and work is put off; the lower levels and the masses have to keep on listening and waiting." Indeed, the masses' words savor the irony, but from them we can see that they are extremely opposed to the style of work of formalism and red tape.

"Three-many" not only results in economic waste but also increases the burdens of the cadres at all levels for no reason and wastes their time and energy for nothing. A comrade has compiled statistics noting that his unit once received eight copies of documents, totaling some 50 pages and exceeding 24,000 characters, whose subjects and contents were similar and which were equal to a medium-length novel. According to another newspaper report, a deputy commissioner of an administrative commissioner's office of a certain province held eight consecutive meetings in the capital of the province and finally came down with an illness, affecting work adversely. Just think. How can a cadre have energy to go deep into grass-roots units to contact the masses and solve practical problems if he is bogged down in "mountains of documents," "oceans of meetings," and social dealings; is kept constantly on the run; and is hard put to cope with the situation? How can he have the energy to study theory and enrich knowledge?

Meetings and documents are the necessary forms to exercise leadership, and certain social dealings are also necessary in the course of work. They must, however, be moderate. The quality of meetings and documents must improve and efficiency must be stressed. They must contribute to the completion of the main work and tasks; we cannot put the incidental before the fundamental, make the secondary supersede the primary, regard meetings, documents, and social dealings as the aim, and substitute them for down-to-earth and specific work. If we allow "three-many" to develop, it will immerse our cadres in heaps of routine work and make them forget

their own duties and missions. Our party and government organs will forfeit their vitality and be divorced from realities and the masses. We must, therefore, deepen our understanding from the plane of adhering to the party's mass line, resisting corruption, and preventing peaceful evolution, and regard overcoming "three-many" as a major matter that has a bearing on the prestige of the party and effective leadership.

We must not only attach importance to ideology but also guarantee a system for overcoming "three-many." In recent years, organs, ranging from the central authorities to local organs, have worked out stipulations on cutting down the number of meetings and documents and limiting social dealings, and some of these stipulations have proved effective in practice. It is important to carry them out strictly and perseveringly. A small number of cadres are keen on meetings and social dealings because they do not implement the system strictly, or they alternately implement it strictly and loosely.

The key to overcoming "three-many" lies in leaders setting an example and taking the lead in doing so. As far as a reduction in social dealings is concerned, as long as the leaders are enlightened, the lower levels can do it easily. The leading cadres must take the lead in carrying out simple working procedures and a style that are beneficial to the people. To assess cadres, it is essential to judge their actual achievements and to see if they have gone deep into realities to conduct investigation and study and if they have helped the grass-roots units and the masses solve problems in a down-to-earth manner. We cannot just judge how many meetings have been held and how many documents have been printed and transmitted. In this way we can create a macro-environment beneficial to the overcoming of "three-many."

The "three-many" phenomena have tended to increase in certain places and units. This is extremely disadvantageous to the implementation of the spirit of the central work conference and of the Eighth Plenary Session of the 13th CPC Central Committee. The party Central Committee, with Comrade Jiang Zemin as the core, has demanded on many occasions that the leading cadres at all levels improve their leadership style and keep close ties with the masses, and that all levels resolutely overcome "three-many."

Li Peng Meets Tourist Guide Representatives

OW1301144592 Beijing XINHUA Domestic Service
in Chinese 1052 GMT 13 Jan 92

[By Central People's Broadcasting Station reporter Tian Shanchuan (3944 1472 1557) and XINHUA reporter Xu Yaozhong (1776 5069 0022)]

[Text] Beijing, 13 Jan (XINHUA)—The first working conference on tourist guidance and translation of the China International Travel Service Group opened in Beijing today. This is the first important meeting to be

held by the tourism industry in 1992, the year of friendliness and tourism in China. Premier Li Peng met with all the representatives to the meeting in the Great Hall of the People this afternoon.

During his speech, Premier Li Peng spoke highly of the achievements scored by the tourism industry in our country last year. He pointed out: Promoting the development of the tourism industry is an integral part of China's peaceful foreign policy, which stresses maintaining independence and keeping the initiative in one's own hands. Promoting development of the tourism industry is helpful for the implementation of the reform and opening policy, as well as for improving mutual understanding and friendship between the Chinese people and the people of every other country in the world. Therefore, to be engaged in the tourism industry is very meaningful work.

Li Peng said China's tourism industry has tremendous potential for development. He encouraged the vast numbers of workers in the tourism industry to further improve quality, rectify their work style, make continued efforts to promote development of the tourism industry in China, and achieve even greater successful results.

Zou Jiahua, Zhu Rongji, Liao Hansheng, Chen Muhua, Song Jian, Chen Junsheng, and Luo Gan participated in the meeting.

Established in 1954, the China International Travel Service is one of the key enterprises in the travel service industry in the country. Addressing today's opening ceremony, Lu Fenyan, chairman of the board of the China International Travel Service Group and president of the China International Travel Service, stated that all the employees of the group are going to do their utmost to do a good job of receiving tourists with full working enthusiasm during the year of friendliness and tourism.

Book on Studies of Zhou Enlai Published

OW0901095192 Beijing XINHUA in English
1459 GMT 8 Jan 92

[Text] Tianjin, January 8 (XINHUA)—A new book which surveys studies of late Premier Zhou Enlai has been published recently in Tianjin.

Entitled *Survey of Studies on Zhou Enlai* and edited by the Zhou Enlai Research Office of the History Institute in Nankai University, the book gives a brief review of the studies both in China and abroad of the late famous Chinese statesman. The late premier was an alumnus at Nankai University.

In addition, the book provides a Chinese-English index of the names of works on the study of the late premier published in China and foreign countries.

Identity Cards Issued to 700 Million People

HK1301101892 Hong Kong ZHONGGUO TONGXUN SHE in English 0906 GMT 13 Jan 92

[Text] Beijing, January 13 (HKCNA)—According to news released by the Beijing Municipality, the work of issuing identity cards to Chinese citizens which started seven years ago has basically been completed. Now more than 700 million people have such cards and nearly 6 million people have temporary identity cards. The number of people with ID cards make up 93 percent of people qualified to have one.

The size of the floating population in the past was not big because of strict restrictions imposed by the authorities. Whenever one had to make an official business trip, a household registration booklet, work certificate or a letter of introduction by the office where he or she worked was enough to prove one's identity. Things, however, are different now. As provinces and cities have now been opened to the outside world and people are allowed to move frequently and be employed freely, the use of ID cards have become more necessary. Survey showed that peasants and businessmen have found the most convenience in the use of ID cards. As for the authorities, they have found a feasible and effective way to regulate a floating population of over 70 million annually. Police can crack down on various cases of crime by checking people's identity cards.

Military

Deng Inscribes Title of Book on Chen Yi

OW0501032792 Beijing XINHUA Domestic Service
in Chinese 2133 GMT 4 Jan 92

[Text] Beijing, 5 Jan (XINHUA)—A book entitled "Cherishing the Memory of Chen Yi" went on sale today to mark the 20th anniversary of the death of Comrade Chen Yi. Comrade Deng Xiaoping inscribed the title of the book, which was compiled by the Department for Research on Diplomatic Literature under the Ministry of Foreign Affairs and published by the World Knowledge Publishing House.

The book opens with General Secretary Jiang Zemin's "Speech Delivered at the Ceremony Marking the 90th Anniversary of the Birth of Comrade Chen Yi." It collects letters and short articles written by Comrades Chen Yun, Peng Zhen, and Nie Rongzhen for the same occasion; a long article by Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference, in commemoration of Comrade Chen Yi; speeches and remarks made by Qian Qichen, state councillor and minister of foreign affairs, and others at the occasion; and reminiscences by comrades who had worked under Comrade Chen Yi's leadership. All articles in the book contain full and accurate accounts of personal experiences of the writers and are very instructive.

Li Ruihuan Views Book

*OW0701143292 Beijing XINHUA in English
1408 GMT 7 Jan 92*

[Text] Beijing, January 7 (XINHUA)—Senior Chinese Communist Party leader, Li Ruihuan, today praised the late Marshal and Foreign Minister Chen Yi as straightforward, honest, generous and open, for which he became an example for many to follow.

Li made the remarks during a discussion on the publication of a new album on late Marshal Chen Yi at the Great Hall of the People.

Li said it is necessary to recourse to two forces in doing ideological work well: The force of truth and the force of personality. He said that late Marshal Chen Yi won great popular support and admiration for his meritorious deeds in both government and military affairs.

He predicted that the album will be well-received.

The album includes over 500 illustrated photos of Chen Yi and objects the late marshal used, half of which were made known for the first time.

Zhang Aiping, former minister of defense, and other noted figures attended the discussion.

The late Marshal Chen Yi died of illness on January 6, 1972 at the age of 71.

Meeting on Supporting Army, Government Opens

*OW0401232192 Beijing XINHUA Domestic Service
in Chinese 1237 GMT 4 Jan 92*

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 4 Jan (XINHUA)—At its second plenary session held in Beijing today, the All-China Leading Group in Charge of the Work of Supporting the Army and Giving Preferential Treatment to the Families of the Armymen and of Supporting the Government and Cherishing the People [double support] called on soldiers and civilians throughout the country to launch extensive double support activies, provide important political guarantees for socialist modernization, and usher in the holding of the 14th CPC National Congress by strengthening Army-government unity and Army-civilian unity.

The session summarized the double support work throughout the country in 1991, noting the following: In 1991, the double support work entered a new stage of development. Soldiers and civilians throughout the country conscientiously implemented the instructions of the party Central Committee, State Council, and the Central Military Commission on double support work and carried out General Secretary Jiang Zemin's call that all should "share the same fate, breathe the same air, and

be closely linked." The double support work is developing in the direction of socialization, institutionalization, and regularization, and Army-government unity and Army-civilian unity have entered one of the best periods in history.

The session worked out a plan for the double support work in 1992. It called on all to further implement the guidelines set at the first national double support work conference, concentrate on promoting stable development of the state and the Army, make good use of the political advantage brought about by unity between the Army and government and between the Army and civilians, and strengthen the unity between soldiers and civilians throughout the country so as to form a powerful spiritual force that will consolidate the socialist system and promote all-round economic and social development in China.

Speaking at the session, State Councillor Chen Junsheng, head of the all-China leading group in charge of double support work, said that doing the double support work well in the new historic period is to provide an important political guarantee for the stability and development of the state. The fundamental purpose of this work is to guide the hundreds of millions of soldiers and civilians to rally closely around the party Central Committee; to further implement the party's "one center, two basic points" basic line; to share the same fate; to breathe the same air; to be linked heart to heart; and to work together in building socialism with Chinese characteristics.

The session discussed and approved the naming the second batch of national model cities (counties) in double support work.

Military Cadre Placement Work Successful

*HK0201151992 Beijing JIEFANGJUN BAO
in Chinese 15 Dec 91 p 1*

[Article by Xie Zhongyu (6043 6988 1342): "This Year's Work To Arrange Placements for Transferred Military Cadres Completed Successfully"]

[Text] Under the warm care of the party Central Committee, State Council, and Central Military Commission, and through close coordination between the military and local authorities, the 1991 military cadre placement work has been completed on schedule and with great success. Over 27,000 cadres marked for transfer and 14,000 attached family members who move along with deployments received proper arrangements. Over 99 percent of transferred cadres reported to the new placement, which was a record high.

Local party committees and governments at various levels all listed military cadre placement work as a high priority, earnestly implemented the guiding spirit and various policy provisions of the military cadre transfer and placement, and fully completed the assigned plans and missions. The whole process of cadre placement was

accomplished in speedy and short cycles, and arrangements for cadres' future, work units, job placement, accommodations for families and housing were all far better than last year. Seventy-two percent of the Army's cadres at the regimental level obtained transfers of the same rank or a lower rank, 10 percent higher than last year; 98.5 percent of regimental cadres who were qualified for being transferred to comparable duties were so transferred. Seventeen provinces, cities and autonomous regions—Beijing, Tianjin, Hebei, Liaoning, Fujian, Jiangsu, Anhui, Zhejiang, Jiangxi, Hubei, Guangdong, Guangxi, Guizhou, Yunnan, Shaanxi, Gansu, Xinjiang—have separately made specific provisions for qualified cadres at the divisional level who, however, were not transferred to comparable duties to enjoy political and living treatments reserved for prefectural-(city-) and county-level cadres. Despite the shortage of houses in cities and towns, receiving units tried everything they could to solve the housing problems for transferred cadres, especially those with families. Twenty-six provinces, cities and autonomous regions across the country allocated 33 million yuan for building houses for transferred cadres. The problem of housing for this year's transferred cadres with families has basically been solved.

Various levels of troop unit party committees and political organs earnestly implemented the Military Commission's and General Political Headquarters' instructions on handling the cadre placement work well; identified cadres for transfer strictly according to specified qualifications, going through transferred cadres' files according to specified requirements; effected transfers strictly according to approved plans; completed the cadre placement work well with high standards; and ensured that the work be put into effect. The rate of transfers was the highest in recent years. In making the transfer of cadres, the military districts of all provinces displayed a high sense of responsibility and acted actively as a coordinator and link.

Xinjiang Meeting Held on Double Support Work

OW050111992 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 4 Jan 92

[By reporter Chen Junzhi; from the "Xinjiang News" program]

[Text] This morning, the autonomous regional people's government invited chief leaders from various departments and bureaus and representatives from troops based in Xinjiang to an informal meeting on supporting the Army and giving preferential treatment to families of revolutionary Army personnel and martyrs. [video opens with a pan shot of the conference room where the meeting is being held]

Keyum Bawudun, vice chairman of the autonomous regional government, pointed out at the meeting: Xinjiang, as the northwest gateway of the motherland, is

very important in terms of its strategic position. Therefore, it is necessary to strengthen the education in national defense among all ethnic groups in the region, enhance solidarity between the Army and the civilian government and between the Army and the people, and augment interethnic unity. The double support work—a major effort in consolidating political power, safeguarding lasting order and peace in the country, strengthening the Army, and raising combat capability—must be given due attention.

Keyum Bawudun asked that governments at all levels and various departments enhance their leadership further over the work of supporting the Army and giving preferential treatment to families of revolutionary army personnel and martyrs and uphold the system of providing special care to disabled servicemen and to family members of revolutionary martyrs and servicemen that integrates the participation of the state, society, and the people. He also asked that they do well in providing special care and in placing separated or retired servicemen in civilian life, vigorously assist the Army in its development, and actively compete for the title of model city (county) in double support work.

At the meeting, the Department of Labor, Department of Personnel, and Education Commission of the autonomous regional government reported on their efforts and experiences in supporting the Army and giving preferential treatment to families of revolutionary army personnel and martyrs.

Wang Qun Addresses Military Affairs Meeting

SK0501145092 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 4 Jan 92

[Text] On the afternoon of 4 January, the autonomous regional party committee held a meeting to discuss military affairs. Wang Qun, secretary of the autonomous regional party committee and the first secretary of the Inner Mongolia Autonomous Regional Military District, presided over the meeting.

Attending the meeting were Bu He, Qian Fenyong, Batubagen, Geriletu, Yang Enbo, Diao Congzhou and the relevant leading comrades from the autonomous regional party committee, the autonomous regional People's Congress, the autonomous regional people's government, the autonomous regional Chinese People's Political Consultative Conference Committee, the autonomous regional Discipline Inspection Commission, and the Inner Mongolia Autonomous Regional Military District.

During the meeting, the participating comrades earnestly studied the important directives issued by the CPC Central Committee, the State Council, and the Central Military Commission with regard to enhancing the people's armed forces work and discussed the issue of further strengthening the work of having the party manage the armed forces.

During the meeting, Diao Congzhou, commander of the Inner Mongolia Autonomous Regional Military District, delivered a speech to relay the directive issued by the CPC Central Committee with regard to enhancing the construction of reserve forces. Yang Enbo, political commissar of the autonomous regional military district, delivered a report on the work done by the region over the past year in having the party manage the armed forces. Chen Kuiyuan, member of the autonomous regional party standing committee and vice chairman of the autonomous regional people's government, read the opinions raised by the regional party committee on enhancing the region's people's armed forces work.

It was agreed at the meeting that our region had made marked achievements in the people's armed forces work over the past year; the enthusiasm of party committees and governments at all levels in grasping the people's armed forces work had been very high; leading personnel had been firm and vigorous in this regard; the concept of national defense and the consciousness of the army-civilian mutual-support campaign had taken root in the hearts of the people; the unity between the army and the government and between the army and the people, fostered by various nationalities, had been further enhanced; and both the political and military quality of reserve and militia forces had been somewhat upgraded.

In their speeches, Secretary Wang Qun and Chairman Bu He pointed out that the meeting represents a specific step in implementing the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and of the Central Work Conference and is very significant. Upholding the practice of having the party manage rifles and ensuring the absolute leadership exercised by the party over the armed forces represent the fundamental principle of our country's armed forces work. Particularly under the currently changeable and turbulent international situation, we must maintain sharp vigilance, continuously enhance the work of having the party manage the armed forces, and build our region into an iron castle resisting peaceful evolution.

In their speeches, Wang Qun and Bu He also highly praised the selfless spirit displayed by the broad masses of commanders and fighters among the People's Liberation Army [PLA] units stationed in the region in making the economy flourish in border areas and bravely and heroically defending the frontiers. They urged party committees and governments at all levels to frequently show concern for the People's Army, to help the PLA units deal with their problems, and to create a good work environment for them to better fulfill the tasks of defending the country's frontiers.

Li Zemin Addresses Zhejiang Armed Forces Forum

OW050111192 Hangzhou ZHEJIANG RIBAO
in Chinese 30 Dec 91 p 1

[Article by reporters Jiang Zhenzhou (3068 7201 1558) and Lou Jinrong (2869 6930 2837); "Provincial Armed

Force Work Conference Opens in Hangzhou; Ge Hongsheng Presides, Li Zemin Speaks"]

[Excerpts] Secretaries of party committees and principal leaders in charge of the provincial, city (prefectural), and county (district) governments attending a work conference of the provincial party committee on armed forces yesterday discussed plans for building up the province's reserve forces.

Ge Hongsheng, deputy secretary of the provincial party committee and governor, presided over the conference. Yang Shijie, commander of the provincial military district, delivered a report entitled: "The Work of the People's Armed Force in 1991 and Suggestions for Work in 1992." Xu Yongqing, member of the standing committee of the provincial party committee and political commissar of the provincial Military District, delivered a lecture on the situation of national defense. Li Zemin, secretary of the provincial party committee and first secretary of the party committee of the provincial Military District, spoke.

Comrades attending the conference held that the situation in the province's armed force work is good. The principal characteristics are as follows: Political construction in the reserve force has been enhanced markedly, "attainment of twin targets" activities have been carried out effectively, and militia and reserve units have played an active role in promoting the two civilizations. [passage omitted]

Li Zemin spoke on the construction of the reserve forces of national defense in the new period and related matters. He said this: We must have a thorough understanding of the great significance of the requirements laid by the central authorities and attend to the building of reserve forces with greater urgency. We must have a profound understanding of the relevant central guidelines and a correct grasp of the guiding ideology and criteria for building up a strong reserve force for national defense. It is essential to give prominence to coastal areas and cities and see to it that people's armed force work is implemented in a down-to-earth manner next year. He emphasized this: Located in the strategically important coastal region in the southeast, our province must pay close attention to building up militia units in coastal areas and large- and medium-sized cities in accordance with the requirements laid down by the Central Committee and the Central Military Commission; carry out militia work organizationally, politically, and militarily; elevate the reserve force of national defense to a new level, ensure that they can be called up and successfully accomplish their missions at crucial moments and that they will contribute to our province's social stability and economic development.

Provincial party, government, and military leaders including Shen Zulun, Liu Feng, Wang Qichao, Xu Xingguan, Wu Yinyuan, Sun Jiaxian, Xia Zhonglie, Liu Xirong, Cai Songyue, Long Anding, Chen Yuexing, and Chen Lijiu attended the meeting. [passage omitted]

Gansu Secretary on Double Support Campaign

HK0301140192 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 23 Dec 91

[Text] Yesterday, provincial party committee, government, and military commands jointly called a provincial meeting to commend advanced units or individuals for their outstanding performance in double support work.

Five counties, cities, and districts including Linxia City were named as models of the double support campaign; 77 units including Chengguan District in Lanzhou City were cited as advanced units of the campaign; and 23 comrades including Jinchang City CPC Committee Secretary Ye Shaoqiu as advanced individuals.

Leaders from the Lanzhou Military Region, provincial party committee, government, and military command including Gu Jinchi, Li Ziqi, Cao Pengsheng, Jia Zhijie, Lu Kejian, Yan Haiwang, and others attended the meeting.

Provincial party committee Secretary Gu Jinchi made an important speech. He said this: Supporting the Army and giving preferential treatment to families of revolutionary armymen and martyrs and supporting the government and cherishing the people is a fine tradition developed by our party, Army, and the people of all nationalities in the course of long-term revolution and construction. It is a major political advantage of our party and state.

Gu Jinchi stressed: For the present and for a certain period to come, we must focus on the following jobs during the double support campaign.

1. Strive to broaden education in national defense to enhance all our people's awareness of its importance.
2. Correctly handle the relationship between building up the national economy and strengthening the national defense in favor of the former.
3. Give special care to disabled servicemen and to family members of revolutionary martyrs and servicemen and make proper arrangements for the placement of demobilized soldiers.
4. Persistently encourage soldiers and civilians to make joint efforts to promote socialist cultural and ideological progress.
5. Adhere to the principle of mutual understanding and accommodation in handling disputes between the Army and the people.
6. Extensively carry out activities aimed at fostering model units of the double support campaign to raise the campaign to a new level.

Governor Jia Zhijie chaired the meeting. Lanzhou Military Region Political Commissar Cao Pengsheng also addressed the meeting.

Economic & Agricultural**Jiang Zemin, Li Peng Mark Bank Founding**

OW1401143392 Beijing XINHUA Domestic Service
in Chinese 1241 GMT 14 Jan 92

[By Central People's Radio Station Reporter Liu Zhenying [0491 2182 5391] and Xinhua Reporter Zou Aikou [6760 1947 0948]]

[Text] Beijing, 14 Jan (XINHUA)—Jiang Zemin, Li Peng, Yao Yilin, Tian Jiyun, Chen Muhua, Wang Bingqian, Li Guixian, and other leading comrades met with representatives at a meeting marking the 80th anniversary of the founding of the Bank of China and at a commendation meeting at the Great Hall of the People this afternoon.

General Secretary Jiang Zemin and Premier Li Peng warmly greeted the 80th anniversary of the founding of the Bank of China, and the staff members of the Bank of China at home and overseas, on behalf of the CPC Central Committee and the State Council.

In his speech, Premier Li Peng said: The Bank of China, as a state bank specializing in the business of foreign exchange and foreign trade, has, particularly since the implementation of the policy of reform and opening to the outside world, made positive contributions to the management of the state's foreign exchange reserves, promoting foreign economic and trade development, utilizing foreign capital, and supporting the state's key construction projects. The Bank of China has also achieved rapid growth. It now has 430 branches overseas and ranks as a major bank in the world. In this connection, we want to warmly congratulate it on its achievements.

Li Peng said: This is the second year that we are implementing the Eighth Five-Year Plan. At the moment, China is stable, society is peaceful, and the economy is taking a further step in the right direction. During the New Year, and under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, we must continue to implement the line of reform and opening to the world advocated by Comrade Deng Xiaoping, and focus our economic tasks on adjusting the structure and improving the efficiency of enterprises. We must further improve the investment environment, and attract more foreign capital to participate in the construction of our country. In addition, China's foreign trade must develop further to achieve diversification in this regard. In this respect, the Bank of China has a bright future. We hope the Bank of China will achieve greater success during the new year.

The Bank of China has the longest history of China's existing specialized banks. Since the implementation of reform and opening to the outside world, the business of the Bank of China has grown tremendously, and its total assets have reached 1 trillion renminbi. It has over 7,000 organizations at home and abroad, and its position and role in the international financial field has risen sharply.

It has become a strong and multifunctioning bank of the state, specializing in foreign exchange and foreign trade, and providing a complete range of services.

At the commendation rally, 2,421 staff members and workers with more than 30 years of service at the Bank of China were commended.

Feature Views Importance of Foreign Trade System

HK0801143192 Hong Kong TA KUNG PAO in Chinese
27 Dec 91 p 23

[“Special Feature” by Hua Piao [5478 7374]: “Advantages, Disadvantages of New Foreign Trade System”]

[Text]

Impact on Foreign-Invested Enterprises

Beginning 1 January, China will pursue a new foreign trade system that centers on independent responsibility for profits and losses. Generally speaking, people will focus on the impact of the new system on foreign-trade enterprises, such as: Will there be an increase in export volumes and a decrease in the costs of converting foreign currency. In fact, the new foreign trade system will have a certain impact on foreign-invested enterprises, although it will be less direct and extensive. According to the person in charge of a certain foreign-invested enterprise which has started production, since foreign-trade enterprises will not receive any export subsidies under the new system, these enterprises are all frenziedly buying and exporting raw materials which traditionally have lower foreign currency-conversion costs, resulting in price rises for certain raw materials. As the foreign-invested enterprise in question has been using domestic raw materials in certain proportions, its production costs have risen accordingly.

Of course, there is a positive as well as a negative side to everything. Although the new foreign trade system will have a certain impact on foreign-invested enterprises, it will have some good effects. Some people believe that as the majority of foreign-invested enterprises engaged in manufacturing are export-oriented, they are bound to compete with domestic foreign-trade enterprises to a certain extent. Before 1991, domestic foreign-trade enterprises enjoyed state subsidies and it may have been unfair for foreign-invested enterprises in competition with foreign-trade enterprises. However, after the new system goes into effect, the state will abolish subsidies for foreign-trade enterprises and foreign-invested enterprises will be in a fairer competition environment.

Foreign-invested Enterprises May Expand the Domain of Their Investment

On the other hand, the new foreign-trade system will make it more favorable for foreign-invested enterprises to expand the domain of their investments, making production more flexible. Under the old system, there were sharp differences between regions in the proportion

of retained foreign-currency earnings. For instance, retained foreign-currency earnings for special economic zones used to be far higher than for nonspecial economic zones. According to previous experience, regions which enjoyed a relatively high ratio of retained earnings will have an advantage in exporting, or may even have monopolized the export of certain commodities with which foreign-invested enterprises would never be able to compete. One of the important elements of the new system is that it has centralized retained earnings ratios between regions and industries and has weakened the traditional advantage of certain regions. This may make it easier for foreign-invested enterprises to choose areas for investment or production items more freely.

Business Partners Lack Foreign Currency

Naturally, the new system will have many effects on foreign-invested enterprises. First, the prices of certain raw materials will increase, leading directly to cost rises and affecting the returns of foreign-invested enterprises.

Secondly, the Chinese side of a foreign-invested enterprise may suffer foreign exchange shortages under the new system, and this may affect joint management or joint ventures. Apart from canceling foreign trade subsidies, the new system will also cancel foreign-exchange retained earnings for manufacturing enterprises, making it difficult for some to conduct business with foreign partners as they do not have sources of foreign currency. This is particularly true for some domestic manufacturing enterprises which have established joint ventures with foreign partners. In their case, the impact of the new system will be even more obvious.

Safeguard Operations of Foreign-Invested Enterprises

In sum, foreign-invested enterprises are of increasing importance overall in China's economy; especially their exports, which have been growing at an ever increasing annual rate. In the first nine months of this year, foreign-invested enterprises exported \$8 billion worth of goods, accounting for 16.2 percent of China's total exports in the same period. Looking at the past; in 1986, foreign-invested enterprises accounted for less than \$5 billion worth of exports. That means that the exports of foreign-invested enterprises over the last five years have increased twentyfold. State-run foreign-trade enterprises simply cannot compete with increases on such a scale. Concerned authorities point out that considerable amounts of foreign exchange flowing into various domestic foreign-exchange markets come from foreign-invested enterprises. From this we can see that the more foreign-invested enterprises export, the more foreign exchange they will offer to the country. This is a contribution that cannot be ignored. Under the new foreign trade system, safeguarding the normal operations of foreign-invested enterprises has become a topic that needs to be taken care of.

Foreign-Funded Ventures Earn Over \$10 Billion

OW0801084892 Beijing XINHUA in English
0713 GMT 08 Jan 92

[Text] Xiamen, January 8 (XINHUA)—Overseas-funded enterprises in China earned more than 10 billion U.S. dollars from exports last year, double the figure of 1990, according to Wang Yongjun, vice chairman of the China Overseas-Funded Enterprises Association.

Wang said yesterday at Xiamen City, in east China's Fujian Province, that the country approved 12,000 foreign-funded enterprises last year.

Wang said that China has altogether approved a total of 40,000 foreign-funded enterprises with a contracted foreign investment of 50 billion U.S. dollars.

He said that by the end of 1990, more than 17,000 foreign-funded enterprises had gone into operation and achieved good profits. More of them have turned into export-oriented enterprises.

According to statistics from customs, foreign-funded enterprises earned 7.81 billion U.S. dollars from exports in 1990, up from 1987's 1.2 billion U.S. dollars. Last year they earned 10.3 billion U.S. dollars from exports of products in the fields of energy, communications, metallurgy, machinery, automobile, electronics, telecommunications, chemicals, medicine, building materials, building industry, textiles, garments, food and agriculture.

The products have been exported to more than 150 countries and regions, according to Wang.

He reported that the China Foreign-Funded Enterprises Export Commodity Fair opens in Xiamen today.

It is estimated that the seven-day fair will attract more than 2,000 businessmen from over 30 countries and regions and 3,000 businessmen from at home.

More than 10,000 varieties of commodities in 20 categories have been on display at the fair, Wang said.

The fair will become an important channel for export and further promote foreign trade, Wang said.

Bank Offers Post-Trial Period Securities Trading

OW0701025592 Beijing XINHUA in English
0238 GMT 7 Jan 92

[Text] Beijing, January 7 (XINHUA)—The Beijing Trust and Investment Company under the People's Construction Bank of China has now officially started securities trading after more than three months' trial operation.

According to a report of the overseas edition of the "PEOPLE'S DAILY" [RENMIN RIBAO] today, the company's securities services will include the buying and selling of securities, agency storage of securities and consultancy regarding securities investment.

In the trial period the company handled 200 million yuan-worth of desk transactions in securities, and 100 million yuan-worth of institutional transactions of securities, issued bonds valued at 255 million yuan and handled 10 million yuan-worth of State Treasury bonds, according to the newspaper.

Full Financial Market Said Key Step in Reform

HK0801102792 Beijing CHINA DAILY in English
8 Jan 92 p 4

[By staff reporter Yu Nai: "Full Financial Market Key to Further Reforms"]

[Text] Haikou—China's young economists are showing much more eagerness in debating reform measures than they were in 1989.

In mid-December, 26 young banking experts from coastal and inland cities gathered in the country's youngest province, Hainan, and concluded that: a fully-fledged financial market is one of the key steps in the next phase of China's market-oriented reform.

During the five-day conference, which was sponsored by the China Youth Society for Finance, the experts pointed out that the basis for the combination of planning and market regulation should be market forces. And the financial market is a major element of any market economy.

Three major recommendations have been put forward—price reform, tighter macro-control and deeper enterprise reform. The central authorities have chosen to emphasize the third one, and the State Council has declared that greater efforts must be made to revitalize enterprises, especially State-owned ones, in 1992.

Introducing a share-holding system has found favour in some authorities' eyes, especially now that the contract system introduced in 1985 is showing disadvantages. For instance, contributions to the central finances are decreasing.

The new system is expected to take root in the country soon. It may help to cure the central authorities' headache—inefficiency in State industry. However, the system should be guaranteed by a fully-fledged securities market.

This would also serve to divert residents' hefty surplus purchasing power and ease the threat of inflation.

According to the People's Bank of China, outstanding bank savings reached 898.8 billion yuan (\$167.4 billion) by the end of last November.

Although the central bank repeatedly cut interest rates, people have no choice but to keep on depositing. It may set off another round of inflation if there is an economic boom.

The increasing importance of the financial market is encouraging the young banking experts, who drew up a programme to promote reforms at the conference.

The key point of their programme was that central government must relax its financial control.

Its proper role is to issue laws and regulations to guide and standardize enterprises' behaviour in the market.

But laws and regulations on this have lagged behind the development of financial market: for example, so far there are no laws for banks.

At the same time, the State fails to issue laws to protect the non-governmental financial organizations which have mushroomed after the introduction of reforms. They have to relate themselves to some administrative departments, otherwise they will be forced to close down. This is one of the reasons why the rural credit co-operatives, originally set up and funded by farmers, cannot break away from the agricultural banks.

"It is a pressing matter of the moment that the central government should remove the restrictions on enterprises to raise funds directly from the market," said the conference. "Let them enter the stock market."

It was also pointed out that the government should relax control over interest rates. First, the interest rates of non-banking financial firms can be deregulated. Then, the rates of the State banks can be adjusted, and finally, rates should be subject to regulation by market forces.

At present the prices of more than 80 percent of commodities are actually regulated by market forces. But interest rates, the price of funds, are still in the grasp of the State.

The conference also felt that specialized banks had to be treated as commercial firms instead of governmental departments.

At present, the specialized banks are playing dual roles—on the one hand, they act as administrative departments to carry out State policies to adjust the economy, and on the other hand, they have to make profits just like an enterprise.

Although they received some management power in the 1980s, the specialized banks are still not independent. There is no one who is responsible for the State's financial assets or their performance.

At the same time, the conference emphasized the need for an expanding securities market. It suggested stock exchanges should be established in Shenyang, Wuhan, Chongqing, Tianjin, Xiamen and Haikou.

Regarding the introduction of the share-holding system into State-owned enterprises, the conference put forward five measures:

—Assess and value the assets in enterprises;

- Distinguish between State-owned and non-State assets;
- Set up a company under the National Administrative Bureau for State Property to supervise the use of State properties;
- Float stocks within enterprises to stimulate employees' enthusiasm;
- Promote the extension of the network of financial information across the country.

For large-scale enterprises which are the cornerstone of the national economy and the people's livelihood, the State should hold more than 51 percent of their stock.

Some participants from inland areas, for instance the Xinjiang Uygur Autonomous Region, which are underdeveloped compared with the coastal cities, warned that the government must adopt an appropriate pace for financial reform in different areas.

'Roundup' on Gains in Inland Border Areas Trade

OW0801093292 Beijing XINHUA in English
0908 GMT 08 Jan 92

[“Roundup: China's Inland Border Areas Become Another 'Open Belt'”—XINHUA headline]

[Text] Beijing, January 8 (XINHUA)— Minority nationalities in China's border areas have made remarkable progress in foreign economic and trade exchanges and co-operation in recent years.

As a result, China's inland border areas have become another "open belt", following the country's open coastal area.

The country's inland border provinces and autonomous regions have close relations with the Democratic People's Republic of Korea, the Russian Federation, Mongolia, the Republic of Kazakhstan, Afghanistan, Pakistan, India, Nepal, Bhutan, Sikkim, Burma, Laos and Vietnam. More than 30 minority nationalities living in China's border areas have had trade relations with these countries for many years.

With the start of the policies of reform and opening to the outside world more than a decade ago, and along with the improvement of sino-foreign relations in the mid-1980s, China's border trade has developed rapidly and produced remarkable achievements.

Statistics show that in 1990 the country's border trade totaled 1.07 billion U.S. dollars. The border trade value of Yunnan Province in southwest China stood at 128 million U.S. dollars, six times the figure for 1985; the trade volume between the Inner Mongolia Autonomous Region and Mongolia and East European countries rose from 38.46 million Swiss francs in 1985 to 260 million Swiss francs in 1990. The Xinjiang Uygur Autonomous Region's border trade volume amounted to 100 million U.S. dollars during the Seventh Five-Year Plan period.

(1986-1990) from one million U.S. dollars in the Sixth Five-Year Plan period (1981-1985).

The forms of border trade have expanded from barter trade to economic and technological co-operation and labor export.

Taking Inner Mongolia for example, in the past three years the region has signed nearly 100 contracts on economic and technological co-operation, project contracting and labor export with Mongolia and Eastern European countries, involving a total of 300 million Swiss francs. Meanwhile, the region sent more than 8,300 technicians, management personnel and laborers to these countries. During this period, they finished a group of projects involving a total investment of more than 56 million Swiss francs.

The rapid development of border trade has contributed much to the country's economic construction.

At present, in most of the country's border cities and counties, the revenue produced by border trade has accounted for more than half of their total financial income. Of the 27 poverty-stricken counties of Yunnan Province, more than 50 percent have become better-off by developing border trade.

In many border cities and counties, the development of border trade has also boosted urban construction, communications and telecommunications, culture and entertainment, and the service industry.

Provinces in the interior also have a share in border trade. At present, 48 percent of the export goods going through trading ports of Heilongjiang Province come from other provinces of the country. And more than 100 cities have established agencies in the province.

New Shipping Duty Regulations To Be Instituted

OW0801103492 Beijing XINHUA in English
1006 GMT 8 Jan 92

[Text] Beijing, January 8 (XINHUA)—China will institute a set of duty regulations for international shipping as of April 1 with approval from the State Council, according to a joint notice here today.

The notice, issued by the State Administration of Commodity Prices and the Ministry of Communications, said that the new regulations will impose duties of international standards on foreign and domestic ships and Chinese ports.

Chinese shipping and port duties for transportation costs will be raised to the standard adopted by foreign ships. Chinese ships entering international waters may also expect their costs to be at the international rates. The joint notice said that all current rules that are contradictory to the new regulations will be abolished once the new ones take effect.

The full text of the new regulations will soon be issued by the Ministry of Communications.

Economists Say Market in 'Transitional' Period

HK0801140792 Hong Kong ZHONGGUO TONGXUN SHE in English 1131 GMT 8 Jan 92

[Text] Beijing, January 8 (HCKCNA)—Some economists believe that China's market has shaken off its sluggishness and is now on the track of normal development, but the prospects are not too optimistic. From an overall point of view, however, China's market is now in a transitional period and is moving towards a well-to-do type economy.

The market started to take a turn for the better since the second half of 1990 and this trend continued last year. The total retail sales volume of social commodities is expected to be RMB [Renminbi] 940 billion for the whole of last year, an increase of about 30 percent compared to the previous year.

Some people in economic circles believe that though the market has shaken off its sluggishness, the prospects for the foreseeable future are not too optimistic. Since reform started more than ten years ago, people's income has turned from one of rapid increase in the initial period to normal growth at a latter stage, while the level of consumption has developed from a "hungry" type to a "just enough" type. The desires of consumption of the people have been basically satisfied and the consumption level has attained a certain standard. The proportion of people possessing durable consumer goods in urban areas is now quite high and it is estimated that for urban dwellers the percentage of households with a colour TV set is 70 percent, refrigerator 60 percent and washing machine 90 percent. In rural areas the respective percentages of possession are 5 percent, 1.5 percent and 10 percent, which are comparatively rather low. Consumption in rural areas usually gives priority to production, while for living expenses, priority is usually given to housing. In view of the fact that the growth of income of the peasants in the last two years was not big, growth in consumer goods demand could hardly be big.

Looked at from the point of view of products structure, the restructuring of industries is rather slow. Though some new products have appeared on the market, the structure of commodities has seen no big change, and especially have there been no new products yet with the purchasing power of the colour TVs and refrigerators of the 1980s. On the other hand, the level of income in the urban areas is still comparatively low, with the annual per capita income there expected to have been RMB 1,600 in 1991. This level of income is inadequate for buying houses and cars. During the period of transition towards a well-to-do economy, urban dwellers will convert a considerable portion of their purchasing power to making savings deposits instead of using it on immediate consumption. Economists believe that during this transition period, the development of the market should be mainly through the adjustment of products' structure by

putting more new products onto the market to attract more purchasing power and through further development of the rural market by exploiting the potential purchasing power of the peasants.

Report on Progress of Economic Restructuring

OW0801050092 Beijing XINHUA Domestic Service
in Chinese 0849 GMT 7 Jan 92

[By reporters Zhang Jinsheng [1728 6930 0524] and Xu Yaozhong [1776 5069 0022]]

[Text] Beijing, 7 January (XINHUA)—China has progressed in all fields of economic restructuring in the first year of the Eighth Five-Year Plan. All localities and departments in the country have become more aware of the significance of reform, accelerated the reform process, and been successful in reform. The constant deepening of the economic restructuring has promoted steady economic development. At the same time, it has also provided a reliable political guarantee and ideological and material basis for properly increasing the scale of reform.

According to information recently released by the State Commission for Restructuring the Economy, a good start has been made in the past year in attaining the economic restructuring objectives stipulated in "the 10-year program and the outline of the Eighth Five-Year Plan" adopted by the Seventh Plenary Session of the 13th CPC Central Committee and the Fourth Session of the Seventh National People's Congress. China's economic restructuring shows the following several important features:

—In a changeable international environment, China's reform firmly takes a socialist road with Chinese characteristics. China's reform continues to retain public ownership as the main part of the economy while permitting and encouraging proper development of other economic sectors. It maintains the principle of to each according to his work as the main form of distribution while regarding other forms of distribution as complementary aspects and taking a road of common prosperity. It adheres to the reform objective of developing a planned commodity economy and combining the planned economy with market regulation. The party Central Committee and the State Council have placed priority status on improving large and medium state-owned enterprises. This is of great economic and political significance to strengthening the public economy, promoting the deepening of reform in all fields, and consolidating and developing the socialist system. All localities and all departments have greatly enhanced their understanding of the need to improve large and medium state-owned enterprises. Moreover, they have generally formulated relevant concrete measures and procedures and are actively implementing them. To ensure the decision-making power of enterprises in production and operation, Beijing, Tianjin, Sichuan, Jiangsu,

and Liaoning have seriously abolished some documents that are inconsistent with the "Enterprise Law." Some provinces and municipalities have selected a number of enterprises for an experiment on improving the operational mechanism. In rural reform, various localities have adopted many effective measures to stabilize and improve the responsibility system with the household contract linking output to payment, further invigorating the circulation of farm products, establishing and improving the socialized service system, and encouraging and guiding the sound development of village and town enterprises. Their collective economy strength is constantly growing.

Progress has been made in exploring specific ways and forms to combine the planned economy with market regulation. A noticeable change has taken place in understanding the question of combining the planned economy with market regulation over the past year. After conscientiously summing up practical experiences in carrying out reforms over the past 13 years, people have changed from expounding whether to bring about such a combination to thoroughly exploring concrete ways of how to do it, and their understanding in this regard has tended to be identical. On one hand, attention is paid to improving the macroeconomic regulation and control system and changing enterprise-management mechanisms in practice; on the other hand, importance is attached to fostering various markets, especially the wholesale market and markets for essential factors of production. Many localities, industries, and enterprises have gained a lot of useful experiences and found some specific ways to combine the planned economy with market regulation. The third-grade grain wholesale market network and the third-grade grain reserves system have initially taken shape. Grain is basically purchased and sold at the same prices in the three provinces of Guangdong, Fujian, and Hainan, thus setting up new mechanisms. In Shijiazhuang and some other cities, supply distribution and delivery centers are run on a trial basis, building a socialized channel of supplies circulation. Fairly good results have been achieved in reforming the policy operation and the regular operation of grain enterprises in Tianjin Municipality and "being open in four aspects" on the part of Chongqing City's Guohe commercial enterprise. The market for long-term funds has been developing rather rapidly. The amount of valuable securities issued increased from 206 billion yuan at the end of 1990 to 247.6 billion yuan at the end of October 1991, and the volume of trade in this regard increased from 13.7 billion yuan to 18.1 billion yuan. In the reform of the foreign trade system, export subsidies have been abolished and a new system has been implemented under which foreign trade enterprises have full authority for management and full responsibility for their profits and losses. As a result, economic benefits in foreign trade have improved and the volume of foreign trade has increased by a big margin.

Economic improvement and rectification and the deepening of reform have supplemented each other, and the

relations between reform, stability, and development have been properly handled. Tangible results have been achieved in economic improvement and rectification, thus creating a favorable environment for deepening reforms. The State Council and some local authorities have adopted major reform measures one after another. In price reform, the fair selling prices of grain and oil, which had not been changed for 25 years, were adjusted to a considerable extent. The prices of iron, steel, cement, and crude oil and rail freight charges were also slightly adjusted. As for cement, rubber, tinplates, and cold-rolled silicon steel under unified allocation, a double-track price system has been implemented—there is one price for the supply of each of product according to the state plan and another price for supply beyond the state plan. Such reform measures are conducive to rationalizing prices and promoting economic development. Thanks to proper planning and painstaking work, no social turbulence has been caused and the market has remained stable. At the same time, the reform of the housing system has been accelerated throughout the country. On the basis of experiences gained in carrying out pilot projects in Tangshan, Yantai, Bengbu, and other cities, Shanghai Municipality has used public accumulation funds and issued bonds to build houses, thus increasing the channels of raising funds for housing construction. Shanghai has been carrying out housing reform comprehensively. Jiangsu, Jiangxi, Tianjin, Shaanxi, and other provinces have also adopted housing reform plans. On the principle of rationally sharing burdens by the state, the enterprise, and the worker, a multilevel workers pension and insurance system is being implemented. The pension fund is now in a transition from being raised by cities and counties to being raised by provinces. Such reforms are of great significance for both social stability and economic development.

Reform has been guided by long-term plans, with defined objectives and clear-cut priorities. The continuity and stability of major reform measures have been maintained. A series of reform documents approved last year by the State Council for implementation has dovetailed with past major reform measures and is a continuation of the latter. At the same time, some new reform measures have been adopted that adapt to the changing situation and meet the requirements of future reform objectives. To do a good job in running large and medium state enterprises, macroeconomic regulation and control mechanisms have been further improved; economic means are now used more often to regulate the functioning of the economy. For instance, interest rates have been lowered again to promote the pickup of production. Some treasury bonds have been purchased by financial institutions that will be responsible for selling them. In the past, treasury bonds were sold and distributed by administrative departments. A regulatory tax on the use of investment in fixed assets has been levied, and a construction tax has been repealed, thus providing better guidance for the use of investment.

While fully affirming the achievements made in the reform of the economic structure over the past year, and after making an analysis, the State Economic Restructuring Commission believes: Through economic improvement and rectification, the "hard [ying 4289] environment" for economic restructuring has been improved—in other words, total supply and total demand are generally balanced, and the material and technical foundation and overall strength of society have improved. However, frictions in some aspects of the "soft [ruan 6515] environment" for reform have increased, as has the difficulty in readjusting powers and interests concerning reforms as a whole; work methods and functioning departments have yet to meet the requirements of the developing socialist planned commodity economy.

Analyzed from the angle of economic restructuring, the current outstanding problem is that enterprise management mechanisms have not yet been basically changed. The change of enterprise management mechanisms and the operating mechanism of combining the planned economy with market regulation are still in the process of exploration, and the two do not quite adapt to or dovetail with each other. In the macroeconomic management system, state policies, plans, and measures for macroeconomic regulation and control have failed to be implemented promptly and accurately. The basic economic relations between the government and enterprises, between various departments, and between the central and local authorities have yet to be completely straightened out. Such new problems can only be solved by carrying on reform, summing up experiences in this regard, and continuing to explore.

Tian Jiyun at Entrepreneurs' Commendation Meeting

OW0601131492 Beijing XINHUA Domestic Service
in Chinese 0843 GMT 6 Jan 92

[By RENMIN RIBAO reporter He Jiazheng [0149 0502 2973] and XINHUA reporter Wang Yanbin [3769 6056 1755]]

[Text] Beijing, 6 January (XINHUA)—A total of 104 representatives of entrepreneurs of village and town enterprises of the nation were commended by the departments of the State Council responsible for work in this field of endeavor at the Great Hall of the People this morning. On behalf of the party's Central Committee and the State Council, Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, offered heartfelt congratulations on and expressed sincere appreciation to the entrepreneurs of village and town enterprises of the nation who had made outstanding contributions and scored excellent achievements.

In an impromptu speech he made on the occasion, Tian Jiyun pointed out that the situation implementing reform and the policy of opening up in our country is irreversible, that village and town enterprises are playing

an increasingly noticeable role in the campaign to promote national economic development and the great undertaking to carry out the four modernizations, and that they are a strong economic pillar for our country to further stabilize and develop agriculture.

Village and town enterprises that mushroomed up and enjoyed rapid development like "a new force suddenly coming to the fore" in the 1980's have become a spectacular and important achievement scored by our country during implementing the reform and open policy. According to an estimate, the total output value churned out by the village and town enterprises throughout the country in 1991 reached as high as 1,100 billion yuan. Among them industrial output value exceeded 850 billion yuan, enabling village and town enterprises to make profits and tax payments in excess of 100 billion yuan and post big increases in output value, profits, tax payments, and foreign exchange earnings at the same time. Village and town enterprises have become an irreplaceable motivating force for promoting national economic development; the principal part of medium-sized and small enterprises in our country; an important mainstay for economic and social development in rural areas; an important source of financial revenues for the state and income for the peasants; an important force for the state to earn foreign exchange from exports; and an important factor for promoting stability in rural areas as well as overall stability. As such, they have made outstanding contributions to consolidating political power at the grass-roots level in rural areas as well as the alliance of workers and peasants, improving our national quality, and narrowing the gap between urban and rural areas.

A large number of "bumpkins" have distinguished themselves with outstanding performances and become entrepreneurs of village and town enterprises in the course of these enterprises' rapid development. Tens of thousands of excellent experts on business management emerged on the vast expanse of the Divine Land. Five hundred of the directors and management personnel of village and town enterprises across the country were chosen through public appraisal by the Ministry of Agriculture as entrepreneurs of village and town enterprises of the nation. Among them, 51 achieved the rating of excellent entrepreneur of village and town enterprises of the nation. Meanwhile, the honorable title of national agricultural model worker was conferred on 19 excellent entrepreneurs of village and town enterprises of the nation.

State Councilor Chen Junsheng and responsible persons of the departments concerned, including Liu Zhongyi and He Kang, attended today's commendation meeting and awarded certificates of merit to the representatives of entrepreneurs of village and town enterprises of the nation.

Industry Federation To Guide Nonpublic Economy

*OW0601142992 Beijing XINHUA in English
1418 GMT 6 Jan 92*

[Text] Beijing, January 6 (XINHUA)—The All-China Federation of Industry and Commerce will provide a proper guide to the development of the non-public sector of China's economy.

The pledge was made today by Rong Yiren, vice chairman of the Standing Committee of the National People's Congress and chairman of the All-China Federation of Industry and Commerce.

The federation under his leadership is made up of former industrialists and business people.

He told the opening ceremony of the fourth meeting of the sixth executive committee of the federation that the non-public sector of the economy is a useful supplement to the public sector and will exist in China for a long time to come, as China will persist in the basic principle of neither adopting the unitary public ownership nor going in for privatization in its efforts to build socialism with Chinese characteristics.

He said that it was a major subject of study of how to make the non-public sector play its due role while encouraging the people in this sector to be patriotic and abide by the law and overcome their weaknesses.

Rong said that the federation, an important people's organization and non-governmental chamber of commerce, should act as a bridge between the central government and the non-public sector of the economy and promote a healthy development of the non-public sector.

The executive committee of the federation is meeting to discuss the focus of its work in 1992.

Trade Unions To Expand Into Joint Ventures

*HK0801095992 Beijing CHINA DAILY in English
8 Jan 92 p 3*

[By staff reporter Wang Rong: "Unions Seek Joint Venture Role"]

[Text] Trade unions want a place in China's joint venture firms as that new and expanding element in the economy enters its teenage years.

The All-China Federation of Trade Unions (ACFTU) is expecting unions to be set up in at least half of the existing 16,000 overseas-funded firms within five years, according to Tian Yukun, director of the grassroots work department of the federation. Some ACFTU leaders put the figure optimistically at 80 or 90 percent.

To date, some 20 percent of the 16,000 joint venture firms in China's mainland have trade unions, a figure "too low" in ACFTU leaders' opinion. And the other 80 percent of overseas entrepreneurs mostly don't like the idea of having unions, Tian said.

Joint-venture firms, ranging from 100-worker workshops to modernized manufacturers, employ some 2 million Chinese men and women, who combine two identities—masters of their socialist country, as the Chinese constitution lays it down, and wage-labourers for employers with a touch of capitalism.

Conflicts arising from different interpretations of a worker's rights and duties, as well as the way such firms are run, have surfaced, and have been blamed for disputes and strikes, according to recent ACFTU reports.

"The time is ripe to take action, and the need for trade unions in joint-venture firms is obvious," observed Chen Binquan, vice-chairman of the semi-official Federation.

Various moves have been made in past years.

A dozen of the cities and provinces have issued regulations demanding establishment of trade unions in joint venture firms. The main job in these places in coming years is to get the regulations followed, Tian Yukun said.

This would be achieved mainly through showing objectors examples of trade unions in similar firms helping in production and freeing the bosses from the headache of indifference and sometimes hostility among Chinese workers.

In Shenzhen, the district union federation had set up a working group, manned with some 10 people whose only job is to gather opinions among joint-venture firms' workers. About 40 percent of such firms there have trade unions, according to Zhang Hanmin, the head of Shenzhen Special Economic Zone [SEZ] federation of trade unions.

Trade unions have been part of the negotiated package for setting up joint ventures in some other cities and SEZs. Usually this is possible where local officials in charge of such negotiations support the unions.

It is true that some of the Chinese officials are not supportive, fearing it would drive away foreign investors, Zhang said.

The fear on foreign investors' part that trade unions would do nothing but organize strikes was one of the major reasons for their dislike and rejection of a union in their firms.

The ACFTU said this was not an accurate reflection of what unions did. A recent investigation the Federation conducted found most of the reported strikes took place spontaneously where there was no union.

A strike in a Sino-Japanese enterprise in Dalian, Liaoning Province in northeastern China, was given as an example.

The 200 Chinese workers, upon learning that a promised wage-rise was not going to be paid, stopped working spontaneously one day last November. The strike lasted for about 10 hours, and ended up with district trade

union officials mediating, which resulted in the management agreeing to keep its former promise.

"It would be a different story if there were trade unions in the factory," said Wang Ying, of ACFTU.

Among other things, the unions mediate between managers and workers in joint-venture firms and see to it that no such destructive events as strikes take place, said Chen.

Steps Taken To Control Shoddy Goods Production

HK0601012692 Beijing CHINA DAILY in English
6 Jan 92 p 2

[By staff reporter Chang Weimin: "China Aims To Stamp Out Shoddy, Fake Products"]

[Text] China, still plagued by staggering stockpiles of products which do not meet quality standards, will strengthen measures to improve the situation this year.

Moves to be taken include issuing China's Quality Law, convening the first national congress on quality management and making the State Council, China's highest executive body, directly responsible for attacking the rampant manufacturing of inferior and counterfeit goods.

Quality control officials also said that new ideas, up-to-date techniques and advanced practices in quality control are to be drawn from overseas.

Chinese entrepreneurs and experts are to go abroad, more international seminars will be held here and foreign specialists will be invited to preside over training courses here.

Zhong Liang, secretary general of the China Quality Control Association (CQCA), disclosed that the draft of the Quality Law has been approved by the State Council and is now at the National People's Congress for its legislative statute [as published].

The law which will probably be issued this year, is expected to greatly improve product quality, Zhong said.

He said that China for the first time will hold a national congress on product quality this year, to be organized by the ministerial-level Production Office under the State Council and the China State Bureau of Technical Supervision.

The State Council will also organize nationwide campaigns to attack the illegal manufacturing of inferior and counterfeit goods—activities which are rampant in some areas.

High-ranking officials from the State Council said efforts will be concentrated this year on improving the quality of coal, sugar, cotton, food and durable consumer goods including household electrical appliances.

Reform-minded officials urged that the darkside of the country's product quality and service efficiency should be more widely exposed.

Officials of the China Quality Control Association said they expect product quality and service efficiency to be largely improved this year.

Two large international conferences on quality management in the United States and Belgium have been targeted as a good opportunity to gain experience from the West.

Delegations will also be sent to take part in Japan's nationwide campaign on quality in November. There they will attend seminars and visit manufacturing firms.

Ma Lin, deputy secretary general of the China Quality Control Association, noted that the Second Asian Congress on Quality and Reliability will be held in Beijing in May 1993 and that invitations have already been sent to experts in countries and regions in Asia, Europe and America.

Lectures by experts from at least five countries and regions—Sweden, Japan, France, Britain and Taiwan—have been arranged so far, Ma said.

At least 500 Chinese professionals will attend the courses, compared with some 100 last year.

People's Construction Bank To Issue More Bonds
HK0901151692 Beijing ZHONGGUO XINWEN SHE
in English 1413 GMT 9 Jan 92

[Text] Beijing, January 9 (CNS)—The China People's Construction Bank will this year expand the issuing of bonds and its role as an agent in the handling of bonds in a bid to support construction of key state items and technological renovation of state-owned medium and large-sized enterprises, according to an official from the bank.

China practised for the first time last year the flowing of investment bonds to raise funds for key items. The bank shouldered the issuance of investment bonds worth RMB [Renminbi] 8 billion and undertook the work of utilization of funds.

Minister: Two Sugar Wholesale Markets To Open
OW0901185492 Beijing XINHUA in English
1412 GMT 9 Jan 92

[Text] Beijing, January 9 (XINHUA)—Two sugar wholesale markets, one in northern China's Tianjin City and the other in southern China's Guangzhou City, will begin operation on 15 and 20 this month respectively, a senior Chinese official announced here today.

Hu Ping, minister of commerce, said that these two markets will play a very important role in expanding sugar circulation, regulating its supply and demand, and stabilizing its prices.

China has seen a rapid increase of sugar production in recent years, with the annual production growing from three million tons in 1981 to 6.3 million tons last year.

The minister said China's sugar supply has basically met the sugar demand. He pointed out that with the reform of the sugar purchasing and marketing policy, the sugar wholesale business has changed from unified business activities to multichannel business activities, thus expanding the scope of market regulation.

Statistics show that the annual inter-provincial transaction volume in the country now exceeds four million tons, 70 percent of the country's total sugar output.

However, since there was no big state producer-consumer clearinghouse for sugar and related information, development of China's sugar production has been hampered.

In order to change the situation, the minister said, China established standard sugar wholesale markets catering to the whole nation. The new pattern for sugar marketing is characterized by flexibility and order, efficiency and smoothness.

China's beet sugar is mainly produced in such provinces and autonomous regions as Heilongjiang in northeastern China, Inner Mongolia in northern China, and Xinjiang in northwestern China. Cane sugar is mainly produced in southern China, like Guangdong, Guangxi, Fujian, Hainan and Yunnan.

Hainan Sets Up First Produce Wholesale Auction
OW0301124292 Beijing XINHUA in English
0942 GMT 3 Jan 92

[Text] Beijing, January 3 (XINHUA)—Hainan Province has solved its problem of overstocked farm produce by setting up a wholesale auction market, the "CHINA YOUTH NEWS" reported today.

Hainan Island is China's largest special economic zone.

The Hainan provincial wholesale auction market for all kinds of farm products is the first of its kind in the country. It handles not only spot transactions but also futures.

According to Guo Jinhua, a 26-year-old postgraduate and director of the market, it follows the international convention by employing modern accounting, bail, broker and auction systems.

An official of a grain bureau in Shandong Province was overjoyed after the market helped him to sell 2,600 tons of slow-selling peanuts.

To help farmers to sell more watermelons, the market has concluded an agreement with the Liuzhou Railway Administration.

According to the agreement, the market will organize sources of watermelons and the railway administration will be responsible for shipping and selling them to all parts of the country.

Guo said the introduction of competitive prices should help to rationalise prices and thus turn more farm products into commodity goods.

Vice Governors Comment on Three Gorges Project

OW801102792 Beijing XINHUA in English
0940 GMT 8 Jan 92

[Text] Beijing, January 8 (XINHUA)—Chinese people in the three provinces of Hubei, Hunan and Sichuan have long been preparing for the construction of the proposed Three Gorges Project on the Yangtze River, and they hope that the proposed project will actually get started within the shortest possible time.

This was said by the three vice governors of the these provinces, which are located at the middle and upper reaches of the Yangtze, when they were interviewed by XINHUA here recently.

They shared the view that the construction of the Three Gorges Project will have a great benefit in flood controlling, electricity generation and navigation, and it will be of great importance to the economic development of the Yangtze River valley and to the whole country.

Li Daqiang and Wang Xiaofeng, vice governors of Hubei and Hunan Province respectively, mentioned that frequent flood disasters have been a serious headache for people at the middle reaches of the Yangtze.

The construction of the super-dam will be a decisive act in flood control, and for freeing the local people from the threat of natural calamities, the two vice governors said.

Li said that the most dangerous section of the Yangtze River is Jingjiang, a narrow zigzag channel in Hubei, and his province has been haunted by water disasters for hundreds of years. Since 1860 the Jianghan Plain has been submerged several times by devastating floods, which resulted in huge losses of life and property.

To fight these natural disasters, the province has mobilized some 6,000 laborers each winter for building water conservancy facilities. Yet the existing flood-control works can only prevent the worst flood disasters, which happen every 10 or 20 years.

Each year when the flood season comes, over 300,000 people will be busily engaged in the battle to protect the threatened Jingjiang dikes, and local people will live in great instability.

The super-dam, if constructed, will be able to directly control 95 percent of the flood water in the Jingjiang section of the Yangtze River, and will be able to prevent the most serious floods recorded every 100 years, so that

Wuhan, capital of the Hubei Province, will be greatly relieved from the shadow of the terrifying threat.

If the most serious flood of a thousand years occurs, the project, with the help of the water discharge facilities, can avoid the devastating results, Li said.

Wang Xiaofeng told XINHUA that Dongting Lake area in Hunan Province has been a treasure land of the country.

Boasting of a total arable land of 600,000 hectares, and a population of 8 million, the area is one of China's major production base for grain, cotton and edible oils. Its industrial and agricultural output value makes up some 40 percent of the provincial total.

However, the area is also frequently battered by flood disasters, millions of hectares of farmland were inundated by the roaring water each time. On the other hand the Yangtze River pours 100 million cubic meters of mud and sand into Dongting Lake, which resulted in the dwindling of the lake and the decrease of its flood-control capacity.

If the Three Gorges Project is constructed, flooding at the upper reaches of the Yangtze River will be effectively controlled, largely reducing the burden of the Dongting Lake area, Wang said.

Pu Qinghai, vice governor of Sichuan Province, pointed out that the Yangtze River navigation is the most important transportation means in eastern, central and western China, and to build the super-dam will greatly improve shipping conditions in the upper reaches extending from Yichang in Hubei Province to Chongqing in Sichuan Province.

For six months a year, ships of the 10,000-ton class would be able to sail directly to Chongqing, increasing the annual shipping capacity to 50 million tons from the present 10 million tons, cutting transportation costs by 35 to 37 percent and making sailing much safer.

The proposed project would be able to adjust stored water, increase the flow speed by 2,000 cu m per second, and help strengthen the economic exchanges between the eastern, central and southwestern sections of the country.

Pu said that the reservoir will submerge 15 cities and counties and part of the river banks in Chongqing City. If the project starts, some 955,000 people will have to be displaced, which will be a demanding task, but it can be done after hard effort, according to the vice governor. The on-going trial work of the resettlement has produced some positive results, he said.

As the proposed Three Gorges Project has long been a controversial issue, the related areas have remained out of the country's investment list these years, and economic growth there is very slow, therefore the local people have been looking forward to the long awaited

project, and they hope that they can develop their economy and improve their life in a planned way, Pu said.

The three vice governors said that their people will do all they can to support the Three Gorges Project if it gets started some day.

Yuan Mu on Agriculture, Science, Education

*OW0801143892 Beijing XINHUA Domestic Service
in Chinese 0958 GMT 8 Jan 92*

[By reporter Lu Yongjian [7773 3057 1696]]

[Text] Beijing, 8 Jan (XINHUA)—The General Office and Research Office of the State Council jointly convened a forum on the integration of agriculture, science, and education today. Yuan Mu, director of the State Council Research Office, emphasized in his speech to the meeting that integration of agriculture, science, and education and the formation of a beneficial cycle whereby the three promote one another and grow in a coordinated way are effective measures for promoting agriculture through science and education. They will help bring agricultural development and rural economic construction onto the track of relying on the development of science and technology and the improvement of quality of the laborers.

Yuan Mu said: Results of field research by the State Council General Office in over 30 counties in 12 provinces and a deep-going investigation by the State Council Research Office in 13 provinces including Hunan and Shandong indicate that integration of agriculture, science, and education is yielding good results. It represents a new mechanism for the development of modern agriculture and rural economic construction that integrates in an organic way the development of agriculture with that of science and technology and intellectual resources. There are two-fold meanings for this integration. First, through enhanced cooperation among agricultural, scientific and technological, educational, and other relevant departments, a new type of working relationship is formed and their joint efforts will constitute a formidable force for promoting agriculture and for ensuring close integration of agriculture, science and technology, and education. Second, governments at various levels, the county and township levels in particular, are able to improve overall planning for the development of agriculture, science and technology, and education and step up overall coordination of the work of relevant departments. The objective of government overall planning is to promote integration of agriculture, science, and education. Greater government attention to overall planning is the guarantee for realizing this integration.

Yuan Mu said: Experience of the various localities shows that this integration has effectively utilized the various departments' resources for promoting agriculture, helped overcome the phenomenon of insufficient cooperation between departments, and enabled them to complement one another and make the best possible use of

favorable conditions and avoid the effects of unfavorable ones. It has also yielded good results in promoting agriculture through education, science, and technology and in accelerating the transition from traditional agriculture to modern agriculture. He emphasized: We must make the integration of agriculture, science, and education an important component of deepening rural reform, further sum up experience, and actively explore new mechanisms for agricultural and rural economic development. The forum will review and exchange the localities' experience of integrating agriculture, science, and education. The work is being gradually unfolded nationwide.

State Councilor Chen Junsheng attended today's meeting.

Article Examines 'Four Points' of Rural Reform

*HK0801080092 Beijing RENMIN RIBAO in Chinese
23 Dec 91 p 5*

[“Ideological Talk” by Gao Di [7559 3695]: “Four Points on Rural Reform”]

[Text] The Eighth Plenary Session pointed out that there are four points guiding the direction of rural reform in the future: “Continue to stabilize the contract responsibility system on a household basis with remuneration linked to output, continually perfect the two-tier operation system integrating centralization with decentralization, actively develop service systems for socialized agriculture, and gradually enhance the strength of the collective economy.”

These four points form an organic whole which will not work if any one point is missing.

The system of contract responsibility on a household basis with remuneration linked to output is a great creation by our country's peasants under the leadership of the CPC. The land is divided among households for operation and the basic means of production, such as land, are owned publicly. This can arouse enthusiasm among peasants on the one hand and prevent polarization on the other, creating the material conditions for attaining common affluence for the peasants.

Our country is populous and has little farmland. Increases in grain output rely mainly on increases in per-unit output. To increase per-unit output, we mainly rely on intensive operation and careful cultivation, requiring a large amount of labor. The contract responsibility system on a household basis with remuneration linked to output precisely meets this requirement.

Our country has more than 1.1 billion people, 900 million of whom are in the rural areas. This is a symbol of economic backwardness as well as a guarantee for stability in the country. If a large number of peasants rush to the cities, what will our country look like?

Do most peasants stay permanently on a small stretch of land?

No. Agriculture must be modernized and we must use as little labor as possible to produce as much grain and other farm products as possible. This means we must strive to improve agricultural productivity.

This requires two conditions. First, improvement of the standard of agricultural mechanization and, second, a way out for the surplus rural labor force.

The key to creating these two conditions is the development of township and town enterprises. When township and town enterprises are developed, they can accumulate funds for agricultural mechanization, absorb the surplus rural labor force, and enable peasants to "leave the farmland but not the hometown, enter the factory but not the city."

This will be a long development process. Our country's peasants are unwilling to leave the land on which their fathers, grandfathers, and great grandfathers depended for a living. Only when peasants can earn a higher income from nonagricultural operation than from agricultural operation, will they then be able to leave their land.

The process might look as follows: In the beginning, peasant households contract land, then engage in both agriculture and industry, performing industrial work when agricultural work is not busy and agricultural work when it is busy. They only work on the land to grow grain for their own consumption and not as under the responsibility system. Then, in a household, some members may perform industrial work and others agricultural work. Finally, only a small minority of peasant households engage in agriculture, while other peasant households engage in nonagricultural production.

When a minority of people engage in agriculture we can adopt the style of family farm, or professional teams, or other styles approved by the masses. Regardless of which style, there are two common points: First, land must be owned publicly. If the public ownership system is shaken, the foundation of socialism is shaken. Second, we must practice operation of scale, for only thus can we greatly increase agricultural productivity.

Be they small-scale operations by individual households, or large-scale operations, they must not be "small but self-sufficient" or "large and self-sufficient" and must be served by service systems. In the rural areas, when we develop primary industry, we must develop secondary and tertiary industries simultaneously.

Service systems are mainly run by collectives, as well as by the state and individuals. Township and town enterprises are mainly collective and, certainly, we have to develop appropriately some which are individual and private. We must pay special attention to developing the collective economy. Only when the collective economy in the rural areas is developed can all the duties of rural

reform and construction be fulfilled. Agricultural modernization is built upon the basis of collective economy. We must stabilize and improve the system of contract responsibility on a household basis with remuneration linked to output and develop and enhance the collective economy. The two-tier operation cannot be shaken.

Rural reform is a gradually developing process from quantitative accumulation to qualitative change. We must have a clear direction and firm pace and, what is important, is that we must respect objective law and the people's wishes while, at the same time, we must strengthen leadership and do promotion work. We must not let things drift but, on the other hand, we must not hastily pursue results.

Commentator on Rural Social Service System

*HK0701140792 Beijing RENMIN RIBAO
in Chinese 3 Jan 92 p 2*

[("Commentator's article": "Actively Promote Building of Rural Social Service System"]

[Text] The rural social service industry has grown quite rapidly in recent years as it injects new vigor into the contract responsibility system on a household basis with remuneration linked to output, and it promotes the sustained and steady growth of the rural economy. However, judging from the practical needs in the development of a planned commodity economy in the rural areas, this endeavor has just begun and has not even taken off in some localities. Hence, the Eighth Plenary Session of the 13th CPC Central Committee proposed the task of further stepping up the building of the rural social service system. It also pointed out that this is an important strategic measure in the deepening of rural reforms and in promoting the growth of productive forces in the rural areas in the 1990's.

Facts from all localities indicate that the pace of the development of rural social services is objectively linked to the level of economic development and subjectively determined by the degree of importance given by the leaders. Therefore, the promotion of this important task will have to begin by resolving the issue of the ideological understanding of leaders at all levels. Everyone should be made to recognize that this is not a job which can or cannot be done, but it is a great endeavor related to the long-term development of the rural areas and should therefore be seized firmly and seriously.

The extensive introduction of the contract responsibility system as well as of the dual-tiered operational system which integrates centralization and decentralization has vastly mobilized the peasants' initiative for production and has given birth to an unprecedented prosperity in the rural economy. Facts have shown that the contract responsibility system has broad applications and robust vitality. It will enjoy lasting stability as a fundamental system in our country's rural collective economic organization, but we should also recognize that the contract responsibility system still has its flaws. The level of

centralized operation in many local collectives remains very weak, while peasants continue to face many tough problems before, during, and after production, and these problems have not been resolved promptly. The absence of a necessary link between the millions of peasants engaged in dispersed operations and the increasingly integrated market has affected the initiatives of the peasants and is also detrimental to the further growth of a planned commodity economy. It is in response to these demands posed by a growing economy that all kinds of service organizations have emerged in different localities, and it is also because of the need to resolve this conflict that the party central committee has proposed the task of vigorously promoting social services. By perfecting the dual-tiered operational system and establishing a social service system, it will be possible to display fully the superiorities of centralized operations by a collective and mobilize all forces of society to engage in tasks which a single family or household cannot perform or can perform only badly or unprofitably. The dispersed small-scale productions can be joined together through the social services in order to promote advanced technology, create superior commodities, and achieve scale results. A satisfactory accomplishment of this endeavor will contribute to the stability and perfection of the system of contracted responsibilities on the household basis, with payment linked to output, to the growth of productive forces in rural areas, and to further improvement of party-people relations at the grass roots.

The building of a social service system involves changes in the functions of some departments and a rational reorganization of the factors of production; it is necessary to modify certain interest relationships. Therefore, the process of building a service system is also a process of continuing the deepening of reforms. All localities should encourage cadres and people to carry on with the emancipation of the mind, positive exploration, and audacious creativeness. Imbued with a strong sense of responsibility, leaders at all levels should perform their jobs in leadership, coordination, and implementation seriously. All departments related to agriculture should also take into consideration the overall situation and actively and voluntarily contribute their efforts to the building of a rural social service system along the direction pointed out by the central authorities.

As conditions and the levels of economic growth vary in different places, the building of a service system, like all other endeavors, should follow the principle of providing guidance on case-by-case basis and of acting according to one's capability. Some areas with better foundation should focus their efforts on the building and perfection of the system. Individual and separate service organizations should be gradually assembled together in line with the principle of the needs and interests in commodity production, and coordinated effectively so that they can divide their work rationally and form a network which will slowly evolve from single item service to comprehensive service; service available during production process should be transformed into services available during

the entire process before, during, and after production; low level services should be transformed into deep level services. Some economically underdeveloped areas should proceed from the practical conditions of their areas and focus on the most urgent needs of the peasants. They should seize on the key links in commodity production and gradually set up a service organization, starting from low to high and from little to many. The experiences of others should not be copied entirely but gradually introduced depending on one's own capabilities. The wait-and-see attitude and inaction are wrong; similarly, failure to take into account subjective and objective conditions, overanxiousness, and complete imitation of foreign experiences are also wrong. It is necessary to respect fully the wishes of the peasants and continue to mobilize the initiatives of all parties concerned. Experience in the last few years indicates that anything which complies with the peasants's needs will be actively received by the peasants; once the people's enthusiasm has been aroused, it will be easy to perform any task.

Rural Enterprises Account for Half of 1991 GNP

OW0601025392 Beijing XINHUA in English
0233 GMT 6 Jan 92

[Text] Beijing, January 6 (XINHUA)—China's rural enterprises carried out an annual gross production of roughly 1,100 billion yuan (about 208 billion U.S. dollars) in 1991, which accounted for more than 50 percent of the country's gross national product (GNP), according to "CHINA RURAL ENTERPRISE NEWS".

Of the 1,100 billion yuan, 60 billion yuan were export sales value. Rural enterprises turned out 4.3 million yuan in taxes last year.

The newspaper noted that it took just eight years for the rural enterprises to increase their annual gross production from 100 billion yuan to 1,000 billion yuan, largely depending on self-accumulation.

In 1991, rural enterprises employed a total of 93 million workers. If calculating at the current consumption standard in rural areas, rural industry has guaranteed a stable income for nearly 200 million population in the countryside.

The paper attributed the achievements to the government's firm support to the development of rural enterprises and a gradually improved structure of the industry.

In the meantime, rural enterprises have also learned to adjust themselves to survive the market competition and many have become outstanding enterprises with their fine quality and service, according to the paper.

Rural Firms' Record Output Expected To Continue

HK0801094792 Beijing CHINA DAILY in English
8 Jan 92 p 1

[By staff reporter Wang Dongtai: "Record Output of Rural Firms To Continue"]

[Text] Rural enterprises saw record output value in 1991 and will continue to develop at an even faster pace in the coming year, a national conference in Beijing was told yesterday.

Vice Agricultural Minister Ma Zhongchen said the ministry had set a production target of 1,220 billion yuan (\$224 billion) for rural enterprises in 1992.

Last year they chalked up an output value of 1,100 billion yuan (\$202 billion), passing the 1,000 billion yuan mark for the first time and marking an increase of 18 percent over 1990.

Rural industrial firms in 1992 are expected to contribute 950 billion yuan (\$174 billion) to the target of 1,220 billion yuan for rural enterprises as a whole. That figure represents an increase of 12 percent over last year.

Rural enterprises expect profits of 65 billion yuan (\$12 billion) this year, up 6 percent on last year, while their tax payments may reach 47 billion yuan (\$8.6 billion), up 10 percent on 1991.

In 1992, rural firms are expected to contribute even more to foreign trade and employment, as their share of exports may jump 20 percent over last year to hit 72 billion yuan (\$12.8 billion). Their workforce is likely to increase by 3 million to reach 95 million by the end of the year.

Ma said fast development of rural enterprises was vital to the sustained growth of the rural economy.

In many places in Jiangsu, Guangdong, Shandong and Zhejiang provinces and Beijing and Tianjin municipalities, townships and villages prospered with comprehensive development of agriculture, manufacturing, commerce, as well as the construction, transportation and service industries.

However, many rural enterprises face problems such as lack of information and overall management, while processing of agricultural byproducts and service industries have not developed as quickly as desired.

There was still an imbalance between speed of development in different areas. Production value of rural firms in the west of China amounted to only one seventh that of their eastern counterparts, according to a 1988 survey.

While some firms won national, provincial or ministerial awards and some exported their products to foreign countries, others were handicapped by inefficiency, poor management, outdated equipment and a lack of investment in technological improvements.

Many favourable policies at various governmental levels have been introduced to enable rural enterprises to develop steadily in the coming year.

East Region

Commentary Stresses Importance of Economic Work

OW1401134192 Hefei ANHUI RIBAO in Chinese
7 Jan 92 p 1

[Article by ANHUI RIBAO commentator: "Firmly Pay Attention to Economic Construction, Our Central Task"]

[Text] Ever since the 1989 political storm, the party Central Committee has repeatedly emphasized the necessity to firmly regard economic construction as our central task and go all out to promote economic work. Since 1989, the party Central Committee has held five plenary sessions, three of which specifically studied economic work. In the second half of 1991 alone, it successively held the Central Work Conference and the Eighth Plenary Session and separately discussed how to improve large and medium-sized enterprises, promote agriculture, and do good work in rural areas. During his inspection tour of Anhui, General Secretary Jiang Zemin pointed out more than once: The fundamental task of socialism is developing the forces of production. The Communist Party of China led the people in overthrowing the three big mountains [imperialism, feudalism, and bureaucratic-capitalism, which weighed like mountains on the back of the Chinese people before liberation] and building a New China in order to liberate productive forces as much as possible, develop the economy, and give the people a happy life. He said: The Third Plenary Session of the 11th CPC Central Committee decided to shift the emphasis of work by the whole party to economic construction. The decision was a conclusion reached by our party after paying a great price. In the last 10-odd years, we have always persistently taken economic construction as our central task, no matter what. Facts prove that it is entirely correct to do so. We will continue to do this in the days to come and must not even hesitate or waver in the slightest. These expositions have profound meaning and are very important, and we must seriously comprehend and implement them. We must be determined to develop the economy. This is the most practical way to consolidate and develop the socialist system, as well as the most practical and effective way to oppose peaceful evolution. In Anhui's current situation, the key to success in accelerating the post-flood recovery and development and in making new progress in all undertakings and work also lies in economic development. For this reason, we should always pay attention to economic construction—the central task.

To make economic construction our central task, all trades and professions and all departments, not just leading organs and economic departments, must conscientiously subordinate themselves to and serve the central task. Leading party and government organs, and leading cadres and economic departments at all levels must always put economic work in a central position, and, relying on the wisdom of the leading collectives and

the masses, concentrate their principal energies on studying and solving conspicuous contradictions and crucial problems in economic life. Political and ideological fronts and other departments should also do an even better job in shifting their work to serving economic construction and the task of reform and opening to the outside world, conscientiously and enthusiastically ensuring and supporting sound development of the economy, reform, and opening up to the outside world. All our work, be it socialist ideological education in rural areas, ideological and political work, and building of spiritual civilization alike, should be for the central task of economic development. Tomorrow's central task should not be different from today's central task. There is only one central task at all times and under all circumstances—that is, going all out to develop the economy. All work should revolve around this center.

In firmly grasping the central task of economic construction to further improve Anhui's economy and work in other areas, it is of utmost importance to deepen reform and open wider to the outside world. Through flood-fighting and disaster relief work in 1991, we have become more profoundly aware of this importance. Without the great vigor and vitality injected into our economy by over a decade of reform and opening and without the people's support for and trust in the party's policy of reform and opening, it would be very difficult for us to fight the devastating floods and achieve the current stability in the aftermath of disaster. Because our reform is now in a process of transition between the new and the old systems, standstill means retrogression. Therefore, obstacles must be removed, and relations between various sectors must be straightened out. Energetic efforts must be made to boldly and adroitly improve large and medium-sized enterprises, promote rural reforms focused on socialized service, further clear circulation channels, straighten out the pricing system, readjust the economic structure, and encourage reforms in housing, public-funded medical care, and social insurance. There are no ready formulas for us to follow in making reforms in these areas. We must, under the premise of upholding the Four Cardinal Principles, further emancipate our thoughts, seek truth from facts, dare to explore, and advance with a pioneering spirit. We must thoroughly comprehend the central authorities' guidelines and identify, study, and solve problems in light of realities. In striving to achieve a new situation in our work, we must firmly overcome the mentality of being satisfied with the existing state of affairs, sticking to conventions, and fearing to undertake responsibilities and risks and must dare to actively explore new phenomena.

While paying close attention to the central task of economic construction, we must really tackle the crucial issues and grasp the focal points of economic work. At present, we should resolutely and promptly shift the focus of economic construction to readjusting structure and raising efficiency. We should voluntarily and conscientiously keep ourselves abreast of this strategic shift. Whether in promoting industrial or agricultural production and whether in improving state-owned large and

medium-sized enterprises or developing village and township enterprises, we should attach great importance to readjusting structure and raising efficiency. In view of Anhui's weak economic foundations and the flood damage last year, we should, under the prerequisite of readjusting structure and raising efficiency, strive to accelerate economic development.

Anhui Enterprises Raise Funds By Issuing Bonds

OW1001130592 Beijing XINHUA in English
0857 GMT 10 Jan 92

[Text] Beijing, January 10 (XINHUA)—More than 100 state-run enterprises in east China's Anhui Province have drawn a total of 794 million yuan (about 150 million U.S. dollars) through issuing bonds over the past five years, according to Beijing-based FINANCIAL TIMES today.

From January to November last year, the local enterprises issued bonds valued at 279 million yuan, 3.5 times the figure of 1990. Of these bonds, more than 70 percent were issued by local large- and medium-sized state-run enterprises.

These enterprises, which are undertaking technical renewal and are key projects under construction, cannot garner enough funds from bank loans, the paper says.

As part of the province's efforts to revitalize state-run enterprises, the Anhui branch of the People's Bank of China has helped them to issue bonds since 1987.

Last year, the Anhui branch of the People's Construction Bank of China helped 45 local enterprises to issue bonds worth 100 million yuan in other provinces, which set a precedent in the country to issue bonds in other regions, the paper says.

Xiamen Export Commodity Fair Opens 8 Jan

HK0901034492 Beijing CHINA DAILY in English
9 Jan 92 p 2

[By staff reporter Wang Xiangwei: "Fair Promoting Foreign Firms"]

[Text] Xiamen—China's first export commodity fair on products of foreign-funded enterprises opened yesterday morning in Xiamen, one of the country's four special economic zones.

Nearly 1,000 foreign-funded enterprises put on a dazzling display of 10,000 varieties of products ranging from light planes and automobiles to telephone exchanges and foodstuffs.

Organizers estimated more than 5,000 Chinese and foreign businessmen and trade officials would show up for purchases and business opportunities during the eight-day fair.

"The fair aims to help the foreign-funded enterprises expand their market," said Wang Yongjun, Vice-President and Secretary-General of the China Association of Enterprises with Foreign Investment.

He said the fair displays the best products as well as achievements the foreign-invested enterprises have made in China since the country opened to the outside world.

The fair is organized by the association and sponsored by the Hong Kong Trade Development Council.

Official statistics showed that by the end of 1991, the Chinese Government had approved establishment of more than 40,000 foreign-funded enterprises, of which over 17,000 had already started production.

The contracted foreign investment is valued at \$50 billion, of which \$23 billion had been put into use.

China has long encouraged those enterprises to balance their foreign exchange payment by making more exports as many foreign investors import raw materials and manufacture and market their goods in China, taking advantage of its huge market of 1.1 billion people.

Customs figures revealed that foreign-funded enterprises have already become major hard-currency generators for the country.

In the first 11 months of 1991, exports of foreign-invested businesses amounted to \$10.37 billion, accounting for 16.6 per cent of the country's total exports which reached a value of \$62.35 billion during the period.

The figures represent a significant rise over 1987 when exports by the foreign-funded enterprises stood at \$1.2 billion.

Some 967 foreign-invested enterprises from 41 provinces and cities formed 39 trade delegations to participate in the fair.

During the fair, a series of seminars and negotiations will also be held on investment projects and policies.

Meanwhile, at a full plenary session, the China Association of Enterprises with Foreign Investment, elected Wu Yi, Vice Minister of Foreign Economic Relations and Trade, as its chairman.

Shen Daren Assails Jiangsu Discipline Violations

OW1401233992 Nanjing Jiangsu People's Radio Network in Mandarin 1015 GMT 14 Jan 92

[From the "News" program]

[Text] A provincial meeting on discipline inspection ended today. Participants in the meeting stressed that party committees and discipline inspection organs at all levels must exhibit a lofty sense of political responsibility.

and a strong sense of urgency, concentrate on implementing the party's basic line in an all-around way, keep to the principle of exercising strict party management, and implement strong and effective measures to put up a resolute fight against corruption, to improve the party's style, and to promote clean government.

Last year, discipline inspection organs at all levels in our province investigated and dealt with more than 8,700 cases of discipline violations and penalized over 7,300 party members who violated discipline. They realistically and effectively performed several deeds in promoting clean government. These include screening and reorganizing companies; eliminating the practices of building private houses in violation of laws and discipline and of occupying official residences without justification by party and government cadres; and fighting the practice of pawning and misappropriating public funds by cadres with party membership, workers, and staff members. The discipline inspection organs also conducted extensive and in-depth education on popularizing knowledge on party discipline.

The conference laid out plans for discipline inspection tasks to be carried out throughout the province this year. Comrade Shen Daren, secretary of the provincial party committee, spoke at the conference. He said: We should evaluate leading bodies and cadres primarily against the criteria of how leaders at all levels improve the party's style and promote clean government and how their own work style measures up to standard. We should also continue to eliminate and correct the practices of party and government cadres in buying commercial houses in violation of relevant regulations, renovating and building houses beyond prescribed standards, and changing their household status from farming to non-farming status. In addition, we should strictly investigate and deal with cases of discipline violations within the party, especially by cadres with party membership. We should achieve appreciable results in remedying unhealthy practices in various businesses; make up our mind to solve the problem of indiscriminately [words indistinct]; strictly forbid the practice of holding lavish dinners and offering gifts at public expense; and encourage leaders and leading organs at the provincial level to set an example in this regard.

During the conference, Chen Huanyou, deputy secretary of the provincial party committee and governor, delivered an important speech on the province's economic situation and future tasks. Cao Keming, deputy secretary of the provincial party committee and secretary of the provincial discipline inspection commission, made a work report entitled "Exercise Strict Party Management, Redouble Efforts To Improve the Party's Style and To Promote Clean Government, and Resolutely Follow the Party's Basic Line." Comrade (Zhang Pinghua), deputy secretary of the provincial discipline inspection commission, gave a summing-up report.

Report on Foreign Investment in Jiangsu Province

OW1101082892 Beijing XINHUA in English
0755 GMT 11 Jan 92

[Text] Nanjing, January 11 (XINHUA)—East China's Jiangsu Province has entered a new stage in using foreign investment, according to a report from the local department concerned.

The province approved 1,138 foreign-funded enterprises last year. Statistics show that by the end of 1991 it had altogether approved a total of 2,250 foreign-funded enterprises, located in 11 cities and 57 counties.

The province is ranked in third place in China for the number of foreign-funded enterprises, the department said.

Last year, most foreign investors were interested in local rural enterprises. The number of foreign-funded enterprises in Zhangjiagang, Changzhou, Wuxian and Kunshan Counties surpasses 100 each.

Among these enterprises, production ones account for 90 percent, and enterprises with advanced technology and making export products account for 25 percent of the total.

At present, Jiangsu has 107 foreign-funded enterprises each involving an investment of at least five million U.S. dollars, and 17 with 10 million U.S. dollars each are high-tech enterprises.

In 1991 more than 800 foreign-funded enterprises were operational and earned 420 million U.S. dollars from exports, double the figure for 1990.

Besides, the number of solely foreign-funded enterprises increased by 56 last year, a 2.8-fold increase over 1990, and the number of Taiwan-funded enterprises increased by 247, with a total investment of 189 million U.S. dollars.

In order to further expand its opening to the outside world and attract more foreign investors, the province plans to set up bonded factories and bonded warehouses, and land development zones during the next four years.

The government also plans to use foreign investment totalling 1.5 billion U.S. dollars in the next four years both for high-tech industries and basic construction.

Private Enterprise Association Formed in Shanghai

HK1001135592 Hong Kong ZHONGGUO TONGXUN SHE in English 1301 GMT 10 Jan 92

[Text] Shanghai, January 10 (HKCNA)—The Shanghai Municipal Private Enterprises Association was recently set up at a gathering attended by 255 owners of private enterprises. The deputy head of the United Front Work Department of the Shanghai municipal committee of the Communist Party of China, Mr Zhao Dingyu, was unanimously elected honourable president [as received].

There are 2,240 private enterprises registered in Shanghai, covering the fields of industry, handicrafts, transportation, commerce, construction, repair work, services, technological development and technological consultation, and more than 80 percent of them are production-oriented while 3 percent are science-and technology-oriented. The number of investors total 2,955. Among the private enterprises, some are export-oriented with foreign exchange earnings totalling nearly Rmb [renminbi] 10 million last year.

Items produced by Shanghai's private enterprises include 15 with national patents. Among these items are quite a number which are famous, special, of high quality and scientific and technological products.

The Shanghai Private Enterprises Association offers two kinds of membership, namely enterprise membership and individual membership. Those checked and registered by the Shanghai industrial and commercial administration institutions can be admitted as enterprise members. If one investor in a partnership or limited company takes part in the association's activities representing the enterprise, the other partners can join the association as individual members.

Shanghai Factories Experiment With Shareholding

*OW1101082192 Beijing XINHUA in English
0724 GMT 11 Jan 92*

[Text] Shanghai, January 11 (XINHUA)—The Shanghai Municipal Government has recently ratified the Shanghai No. 2 Textile Machinery Plant as a pilot unit to implement a share holding system.

Work to transform the plant into the Shanghai No. 2 Textile Machinery Co. Ltd. has already begun. The new company is the ninth pilot firm in Shanghai, having been selected and approved to implement the share holding system.

Huang Guancong, director of the textile machinery plant, revealed that the Shanghai No. 2 Textile Machinery Co. Ltd. will have a registered volume of shares of 178 million yuan, of which, 140 million yuan, or 78.65 percent of the total, will be owned by the state; eight million yuan, 4.5 percent, will be owned by legal persons; and 30 million yuan, or 16.85 percent, will be owned by individuals.

The individual shares will be sold publicly by the Shanghai International Securities Company. The face value of each of the individual shares will be 10 yuan.

The firm will have a committee of share holders whose standing body is a board of directors consisting of 11 to 15 members. The firm will select the general manager, under the leadership of the board of directors.

The establishment of the firm is intended to absorb funds from the public to accelerate its technical transformation by applying the computer integration manufacturing system (CIMS). This system will help to improve

the quality of products, raise economic efficiency, and enhance the competitive ability in the international market.

The other eight pilot firms which have been selected and approved to implement the share holding system include the Shanghai Special-Shaped Steel Tubing Co. Ltd., the Congcheng Industrial Co. Ltd., the Pudong Qiangsheng Taxi Co. Ltd., the Jiafeng Cotton Textile Co. Ltd., the Shanghai Light Industrial Machinery Co. Ltd., the Shanghai United Textile Industrial Co. Ltd., and the Shanghai Huchang Special Steel Co. Ltd.

The first three of these companies have been approved by the People's Bank of China, the country's central bank, to issue their stocks in the market; the other six companies are waiting for approval.

Authoritative sources disclosed that the volume of stocks on sale in the Shanghai market in 1991 and 1992 approved by the People's Bank of China total 132 million yuan and 100 million yuan, and 100 million U.S. dollars respectively.

Sino-German Shanghai Shipbuilding Venture Begins

*OW1101144392 Beijing XINHUA in English
1345 GMT 11 Jan 92*

[Text] Shanghai, January 11 (XINHUA)—Horst Schierack, the managing director of the Schierack Beteiligungs KG from Germany, expressed confidence that the Sino-German shipbuilding venture which went into operation today in Shanghai will operate smoothly.

Schierack is the vice president of the Shanghai Edward Shipbuilding Co. Ltd, a new joint venture between Schierack Beteiligungs KG and Shanghai's Zhonghua and Jiangnan Shipyards.

The new joint venture is the first Sino-foreign shipbuilding joint venture in China.

According to Schierack, in early 1990, the Schierack company placed an order with the Jiangnan Shipyard for two highly specialized cargo vessels to be used for transporting liquefied petroleum gas. Schierack said that his company was impressed with the successful construction of the highly technical vessels.

Schierack said that the cost of labor in Europe has risen sharply, and as a result the shipbuilding industry in Europe has lost its competitive edge. Thus, according to Schierack, the improving investment environment and the low-cost labor in China have attracted the interest of foreign investors.

Schierack said the total investment in the new joint venture reached 12.5 million U.S. dollars. He added that the venture will build two 15,000-cubic meter liquefied petroleum gas vessels annually.

Since the productivity of the Shanghai shipbuilding industry is quite low, the joint venture will invest an additional eight

million deutsche marks in the next few years to update technology, according to the vice president.

Zhejiang Petrochemical Industry Gains Reported

OW1201063192 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 9 Jan 92

[From the "Provincial News Hookup" program]

[Text] At the Zhejiang provincial petrochemical work meeting held yesterday, our reporter learned that Zhejiang's petrochemical system has achieved a dual-increase in growth and efficiency for two consecutive years, and has become the forerunner in the nation's petrochemical industry's bid to increase economic efficiency.

In 1991, all enterprises within the budget of the petrochemical system achieved a total of 690 million yuan in taxes and 295 million yuan in profits—up 14 percent and 14.8 percent, respectively, from last year—while profits have exceeded a historical record high.

During the first year of the Eighth Five-Year Plan, our petrochemical industry was confronted with a sluggish market and tense situation regarding the problems of debt chain and raw material supplies. In facing these challenges, Zhejiang's petrochemical industry relentlessly adhered to the concept of integrating growth with efficiency and placed emphasis on improving economic efficiency; responsible departments at all levels and the enterprises themselves ceaselessly enhanced the awareness of a commodity economy and the concept of economic efficiency. During a one year period, the entire province's petrochemical industry used the market as a guide, paid attention to analyzing and forecasting production and management, and established a large and strong marketing and supply contingent which is proficient in both production and market knowledge to strengthen sales and revitalize production.

Hangzhou City Petrochemical Company took the lead to develop 77 new products to cater to the demands of the market, and attained significant results; 18 of the 77 new products accounted for a 90 million yuan increase in output value and a 11.58 million yuan increase in taxes. (Jiande Genglo) Petrochemical Plant implemented the full marketing contract responsibility system with a fixed quota of personnel, products, output quantity, and return on capital; applied one single model regardless of customers, quantity, or distance; and attained a 5.6 percent and 16 percent growth in output and taxes, respectively, from that of last year under the harsh conditions of a sluggish product market.

Central-South Region

Xie Fei Addresses Family Planning Symposium

HK1501021592 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 10 Jan 92

[Text] At a provincial family planning symposium convened jointly by the provincial party committee and the

provincial government this morning, provincial party committee Secretary Xie Fei and provincial Acting Governor Zhu Senlin emphatically stated: This year, Guangdong should not in the least slacken its efforts in family planning work. Rather, it should step up its efforts and strive to achieve more tangible results in family planning work on the basis of its work last year.

Xie Fei pointed out: Last year, our province scored marked results in family planning work, fulfilled the state-assigned family planning quota for the first time over the past 10 years, and witnessed an initial turn for the better in this connection. Despite our marked achievements, we must still make continued efforts to promote family planning work for a long time to come.

Acting Governor Zhu Senlin called at the symposium on party committees and governments at all levels to firmly grasp work in the following 10 aspects:

1. The principal party and government leaders must personally take charge of family planning work.
2. To continually implement and further perfect a population control responsibility system.
3. To make unreserved efforts to set off two province-wide family planning upsurges in May and September of this year.
4. To ensure ligation on a household basis.
5. To vigorously push ahead with family planning work at the grass-roots level.
6. To step up family planning-oriented infrastructural building.
7. To disseminate population control and family planning skills.
8. To successfully run schools providing marital and birth knowledge.
9. To carry out socialist ideological education in rural areas.
10. To further perfect family planning measures regarding mobile population.

Party and government leaders from four cities, including Guangzhou, Jiangmen, Shantou, and Qingyuan, gave accounts of their respective family planning experiences at the symposium.

Urge Strengthening Frontier Guards

HK1501085392 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 14 Jan 92

[Text] This morning, provincial CPC committee Secretary Xie Fei and other provincial leaders attended a work meeting of the frontier guard corps under the provincial people's armed police.

On behalf of the provincial CPC committee and government, Xie Fei extended sincere regards to the 20,000 officers and men of the frontier guard corps across the province and gave a high appraisal of the achievements made by the corps in 1991. Xie Fei said: Guangdong's frontier guards shoulder an important task because the province has a long coastal line and many outlets and

borders on Hong Kong and Macao. Guangdong is one of the experimental spots for reform and opening to the outside world. The frontier guard corps [words indistinct] and meet the demands of constantly opening to the outside world.

Xie Fei stressed: It is necessary to strengthen the frontier guard corps to raise their quality in order to meet the demands of the situation.

Deng Hongxun Heads Enlarged Plenary Session

HK1501012892 *Haikou Hainan People's Radio Network in Mandarin* 2300 GMT 8 Jan 92

[Text] The enlarged Fourth Plenary Session of the First Hainan Provincial Party Committee, which was mainly devoted to summing up last year's work and outlining this year's tasks, successfully fulfilled its agenda and concluded in Haikou yesterday afternoon.

At the plenary session, the deputies deliberated and discussed a work report delivered by Comrade Deng Hongxun on behalf of the provincial party committee standing committee as well as work reports submitted respectively by the provincial party committee organization department, the provincial planning department, the provincial finance and taxation department, the provincial agriculture department, and the provincial structural reform commission.

Provincial party committee Secretary Deng Hongxun presided over the closing session.

Provincial party committee Deputy Secretary Liu Jianfeng made a speech, summing up the session. In his speech, Liu said that the session had succeeded in unifying ideology, defining clear-cut goals, and boosting morale. Liu also advanced his views on how to implement the session's spirit and carry out work at present as follows:

1. The fundamental way for promoting the Hainan Special Economic Region development lies in continually implementing the principle of reform and opening up. Thus the Hainan comrades must carry out work in a creative manner and strive to create a favorable investment environment.
2. Hainan must implement the spirit of the Eighth Plenary Session to the grassroots level and make redoubled efforts to overcome difficulties concerning grain sales and speed up the pace of enterprise development.
3. This year Hainan must continue to devote most energies to increasing economic results and focus economic work on economic structural readjustment and economic efficiency betterment.
4. Hainan must vigorously develop tertiary industry and strive for conspicuous improvement in circulation, communications, transport, tourism, and various other fields this year.
5. Hainan must make earnest efforts to push ahead with party building work, strengthen organizational

disciplines, and conscientiously improve the work style of its various organs. To this end, all party members must treasure the inner-party solidarity as much as they do to their own eyes, attach great importance to party building work, unite according to the party's principles and stand, strive to attain various goals, and make due contributions to the party cause and the socialist construction. [passage indistinct]

Provincial leading comrades, including Yao Wenxu, Bao Keming, Wei Zefang, Li Zhimin, Yang Shangwu, and Dong Fanyuan, who attended the enlarged plenary session, were seated at the rostrum.

The enlarged plenary session ended with the song of The Internationale.

Hou Zongbin Urges Better Leadership Over Economy

HK1501064092 *Zhengzhou Henan People's Radio Network in Mandarin* 2300 GMT 8 Jan 92

[Excerpt] The six-day provincial conference on the planned economy and finance ended in Zhengzhou this afternoon. The meeting laid down the guiding principles for Henan's financial work as follows: Further deepening reform, opening wider to the rest of the world, trying to achieve marked results in enlivening large and medium enterprises, readjusting the production setup, raising economic efficiency, deepening rural reforms, developing the rural economy in a comprehensive way, working hard to score even greater success in increasing income and reducing expenditures, making adequate preparations for the economic construction and improving the people's livelihood, and further consolidating Henan's political and economic stability.

Governor Li Changchun and provincial party committee Secretary Hou Zongbin addressed the meeting.

Secretary Hou Zongbin dwelled on how the provincial party committee should strengthen leadership over economic activities. He said: Economic construction is the central task for the whole party. Making economic construction a success and vigorously developing productive forces are basic tasks in our effort to build socialism. Compared with other provinces across the country, Henan is a less economically developed area. In the final analysis, a lack of economic strength is at the bottom of the many difficulties and conflicts we have come across in our work. We must develop a sense of urgency in building up our economy. If a locality fails to boost its economy for a long time, the party committee is to blame in the first place. Our work in all fields must center around, serve, and submit to our central task.

In his speech, Governor Li Changchun first analyzed Henan's situation, saying: Henan's present economic situation can be summarized as follows: We can boast of a good start to our plan but there is a rough and bumpy road ahead; there are great difficulties in store for us, but the prospect is promising. He set 1992 economic tasks

for all fields: 1) make earnest efforts to promote agriculture and rural work, truly strengthen leadership, and guarantee a good harvest in agricultural production in 1992 by hook or by crook; 2) as soon as possible, end the situation in which Henan's industry is plagued by poor product quality, a low technological level, inefficient management, poor economic efficiency, and weak competitive strength by changing the mechanism, promoting technological progress, and raising economic efficiency; 3) try to achieve good results in construction of key projects and in technical innovation to build up greater power for sustained economic development; 4) energetically push forward economic restructuring and open wider to the outside world; 5) [words indistinct] and make Henan's financial situation turn for the better once and for all.

Governor Li Changchun added: Since we have formulated all necessary policies, the most important thing for us to do now is to acquire a thorough understanding of the policies and carry on our work in an original way. We must exercise stringent supervision and verification and coordinate efforts of various sectors to make sure all set tasks will be accomplished. We must resolve to reshuffle leading bodies of those units, villages, counties, and townships that failed to improve their performance for a long time, filling the key posts with cadres who are pure in party spirit and have a good work record.

Comrade Li Changchun continued: The economic tasks confronting us are very tough this year. All cities, prefectures, and departments must make meticulous arrangements and make earnest efforts to fulfill the tasks. [passage omitted]

Attends Law Popularization Lecture

HK1501013792 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 9 Jan 92

[Text] This year has a crucial place in implementing the second national Five-Year Plan for law popularization propaganda. Yesterday morning, as the new year was unfolding, the provincial leading group for popularization of laws hosted a law popularization lecture for the provincial party, government, and military leading cadres in the provincial people's hall. Provincial party committee Secretary Hou Zongbin, Governor Li Changchun, other leaders of the provincial party committee and provincial government, leading comrades of the provincial advisory committee, provincial people's congress, CPPCC provincial committee, provincial military district, and provincial discipline inspection committee, as well as the persons in charge of provincial party departments and committees and government departments and bureaus, attended this lecture.

The second national Five-Year Plan for law popularization propaganda went into force last year. The object of propaganda under this plan is leading cadres at various levels, law enforcers, and young people. The content of law popularization, centering round the Constitution, is focused on specialized laws.

At yesterday's lecture, a teacher from the Department of Law of Zhengzhou University was invited to speak on the main contents of the Constitution in force in our country. After the lecture ended, Yang Xizong, head of the provincial leading group for law popularization and chairman of the provincial People's Congress Standing Committee, called on cities, prefectures, and counties to hold similar lectures in the future to further reinforce the awareness of law among leading cadres at various levels and push forward the in-depth implementation of the second Five-Year plan for law popularization propaganda with the leading cadres setting the example by studying and observing the laws.

Xiong Qingquan Inspects Changsha Development Zone

HK1501090292 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 10 Jan 92

[Text] Accompanied by Xia Zanzhong, provincial CPC committee standing committee member and Changsha CPC Committee secretary, and some other comrades, provincial CPC committee Secretary Xiong Qingquan inspected the Changsha High-Grade Precision Technological Development Zone on 9 January.

Xiong Qingquan put forward the following four requirements on building the development zone:

1. Further emancipate minds. In building the high-grade precision technological development zone, we must adopt and explore special measures conducive to economic development and high-grade precision technological development. We must also be bold in creating a harmonious social environment.
2. Formulate more detailed plans, especially comprehensive plans concerning electricity, water, communications, thermal energy, and gas supplies in order to ensure smooth operations.
3. Promulgate more preferential policies. The existing policies formulated by the provincial authorities must be implemented without delay. In studying specific measures for implementing various existing policies, we must try to formulate more preferential policies and create more favorable conditions in every way with an eye on increasing the attractiveness of the Changsha High-Grade Precision Technological Development Zone.
4. Further speed up the pace of construction. Now that we have basically obtained the necessary policies, personnel, funds, sites, and projects we must be ready to start our work immediately. We must waste no time in starting a new construction upsurge, work hard, and strive to have the Changsha High-Grade Precision Technological Development Zone built and put into operation by the same time next year. To this end, we must further strengthen leadership and see to it that all principal party and government leaders personally take charge of the primary productive forces. The provincial authorities, especially

the various city authorities, must shoulder the main responsibility in this respect.

Hunan Planning Meeting Sets Economic Targets

HK1501062092 *Changsha Hunan People's Radio Network in Mandarin* 2300 GMT 6 Jan 92

[Excerpts] A provincial planning meeting opened in Changsha yesterday. Vice Governor Wang Xiaofeng stressed: This year the whole province should resolutely shift the focus of economic work onto the track of structural readjustment and enhancement of beneficial results. At yesterday morning's meeting, Wang Xiaofeng first analyzed our province's present economic situation and the main contradictions facing us. After that, he talked about the guiding principle for this year's work arrangements and the scale of social development. [passage omitted]

He also announced the main targets for our province's economic and social development in 1992. Our province's GNP will be 6.2 percent higher than 1991; bank loans will be higher than the 1991 level; the general increase in total retail prices of commodities will be controlled within 6 percent; the total export volume will increase 15 percent, and the total import volume will go up 48 percent; profit and tax rates of industrial funds will show a 2 percent increase; circulation days of industrial circulating funds will be reduced five days; all-personnel industrial labor productivity will be up 4 percent; and the natural population growth rate will be controlled within 14 per 1,000.

While talking about the agriculture issue, Vice Governor Wang Xiaofeng pointed out: To realize the stable growth of agriculture, we should conscientiously implement the decision on strengthening agriculture and rural work adopted by the Eighth Plenary Session of the 13th CPC Central Committee. It is necessary to continue to deepen rural reforms; readjust the rural economic structure; increase investment in agriculture; do well in promoting water conservancy works on farmlands; pursue a strategy of invigorating agriculture with science and technology; and promote total development of agriculture, forestry, animal husbandry, side-line occupations, and fishery.

While dwelling on the issue of industry, Wang Xiaofeng said: First of all, we should change our thinking and the yardsticks for examining and assessing our industrial production. As of this year, total production output value will only be regarded as a general and specific target, but will no longer be treated as a yardstick for assessment. The focus of industrial production and transportation development will be shifted to the enhancement of beneficial results. Furthermore, we should take supply and demand into consideration, and conscientiously readjust our product mix and increase the competitiveness of our products on markets at home and abroad. We should guide our enterprises to expand themselves abroad, and push their products to international markets. [passage omitted]

Vice Governor Wang Xiaofeng also talked about the issues of speeding up the development of tertiary industry; further expanding opening up; and giving full play to the important role of science, technology, education, and other social undertakings in economic development. [passage omitted]

Southwest Region

Liu Zhengwei Addresses Public Security Conference

HK1501014592 *Guizhou People's Radio Network in Mandarin* 2300 GMT 9 Jan 92

[Text] Provincial party committee Secretary Liu Zhengwei and Governor Wang Chaowen each delivered important speeches on our provincial public security work at the 23rd Guizhou Provincial Public Security Work Conference yesterday morning.

Liu Zhengwei said: Strengthening concentrated and unified party leadership over public security work is a fundamental principle for promoting public security work with salient Chinese characteristics. With regard to strengthening concentrated and unified party leadership over public security work, Liu Zhengwei called for focusing efforts on the following aspects:

1. To closely observe domestic and international struggles, practically give priority to public security work, and grasp public security work as an important link.
2. To step up party building work within various public security organs and give full play to both leadership exercised and guidance rendered by party committees concerned.
3. To further improve the leadership structure and step up leading organs building at all levels.
4. To beef up public security contingent and strive to improve both political and professional qualities of public security contingent.
5. To strengthen coordination among various departments concerned and create a favorable environment for public security work.

Wang Chaowen called on governments at all levels to earnestly exercise leadership over and render support to public security work. He expressed the hope that in 1992, all public security organs and armed police units will more successfully implement and carry out the party's basic line; remain sober-minded in face of complex international and domestic situations; deal telling blows at all hostile elements who try to undermine the people's democratic dictatorship and criminals who try to sabotage reform, opening up to the outside world, and four modernizations building; take practical steps to improve public security work in vast rural areas; vigorously implement all social order comprehensive harnessing measures; and continually adhere to the principle of integrating specialized work with reliance on broad masses of people.

Conference Concludes

HK1501060292 *Guizhou People's Radio Network in Mandarin* 2300 GMT 10 Jan 92

[Text] The 23rd provincial public security work conference concluded in Guiyang yesterday afternoon.

The conference studied and implemented the spirit of a series of instructions issued by the central authorities and the provincial party committee, reviewed and summed up our provincial public security work over the past 14 years, made comprehensive arrangements for our future public security work, and charted a clear-cut orientation for successfully furthering public security work in the 1990's.

Provincial party, government, and military leaders, including Liu Zhengwei, Wang Chaowen, Su Gang, Zhu Qi, Hu Kehui, Liu Hanzen, Huang Siqi, and Zhang Yuqin, as well as veteran comrades, including Wu Shi and Song Lifang, attended the conference.

Liu Zhengwei, Wang Chaowen, and Hu Kehui delivered important speeches. Guo Zhengmin, provincial public security department director, summed up the conference.

The conference forwarded the following clear-cut tasks for our provincial public security work in the 1990's:

To adhere to the party's basic line as the guiding principle; unswervingly implement and carry out the party's line, principles, and policies; stick to the guiding ideology of giving overriding priority to maintaining stability; adhere to the principle of combining specialized work with reliance on the masses of people; combining crackdown with prevention, eliminating both root causes and symptoms, and concentrating on eliminating root causes; actively push ahead with comprehensive social order harnessing; give full play to the special role played by public security organs in maintaining stability; resolutely crack down on sabotage by all sorts of hostile elements; punish all sorts of criminals in a timely and effective manner; resist and foil attempts made by foreign and domestic hostile forces to bring about peaceful evolution in our country; safeguard the party leadership and the socialist system; maintain political and social stability; protect the safety of both lives and property of the people as well as the property of the state; and ensure smooth implementation of our provincial 10-Year National Economic and Social Development Program and Eighth Five-Year Plan.

The conference pointed out: Our province is still confronted with a rigorous antienemy struggle and a rigorous social order situation at present. Our provincial public security organs must continue to wage a long-term and complex struggle against all sorts of hostile forces and criminals for a long time to come. Therefore, all public security organs, public security personnel, police officers and policemen, as well as armed police officers and armed policemen across the province, must maintain a high degree of vigilance and be ideologically prepared for a long-term struggle.

The conference emphatically stated: All public security organs must resolutely implement General Secretary Jiang Zemin's important instruction; work hard in accordance with the requirements laid down by the central authorities; and strive to build our provincial public security contingent into a loyal, reliable, well-trained, professionally competent, and well-disciplined contingent which boasts a fine work style and excellent combat effectiveness and is capable of exercising unified command, giving rapid response, honestly performing official duties, and enforcing laws in an unbiased manner.

Yunnan Capital Sees 'Big Decrease' in Drug Cases

HK1301145892 *Hong Kong ZHONGGUO TONGXUN SHE* in English 1418 GMT 13 Jan 92

[Text] Kunming, January 13 (CNA)—Many drug addicts will find the black market in the buying and selling of drugs no longer exists in Kunming.

Thousands of drug addicts are rushing to drug treatment centres for help after they fail to buy drugs. More than 30 drug treatment stations were set up to treat those addicts who do not wish to reveal their identities. A small number of drug addicts have risked their lives looking for drugs or substitutes in the border region to ease their craving.

According to drug addicts arrested, the price of drugs dropped outside the border area while the price of drugs on the black market in Kunming increased four or five times. The main reasons for such encouraging signs are:

- The authorities have adopted a series of strong and effective measures.
- People have come to realize that drugs will destroy their minds and bodies.
- The number of cases which the police in Kunming smashed in 1990 was three times that of 1989, while in 1991, the number was more than 40 percent of the previous year. In recent months there has been a big decrease in the number of drug cases.

Yunnan Campaigns Against 'Growing Drug Problem'

HK1401102292 *Hong Kong AFP* in English 0936 GMT 14 Jan 92

[Text] Beijing, Jan 14 (AFP)—Backed by the central government, China's Yunnan Province has launched a campaign to wipe out a rapidly growing drug problem in two to three years, the *LEGAL DAILY* reported Tuesday.

The number of drug-related cases handled by courts in the mainland's southernmost province skyrocketed by more than 100 percent last year, the newspaper said.

Yunnan, next to the Golden Triangle, is becoming an important heroin production base and is a key transit point for international rings shipping drugs out of the triangle, where the borders of Laos, Burma and Thailand meet.

"The number of big drug cases has seen a big increase in recent years and drug traffickers are becoming organized

and professionalized," Yunnan's top judge Qiu Chuangjiao was quoted as saying Sunday in Beijing.

"(Illegal) drug activities have also produced other kinds of crime," Qiu added.

He said the province had set a goal of "suppressing the momentum of the rampant spread of drugs within two to three years."

The newspaper said Yunnan was relying on the "legal weapon" of China's new anti-drug law to fight the increase in narcotics use.

He Zhiqiang Views Yunnan Tobacco Industry

HK1301131592 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 6 Jan 92

[Text] What will Yunnan's economy rely on in the 1990's? During a discussion with leaders at the prefectural and city levels and leading cadres from tobacco enterprises who came to attend a provincial meeting on tobacco production, Governor He Zhiqiang explicitly pointed out: Yunnan's economy still needs to rely on the production of tobacco and cigarettes. Tobacco and cigarette production should attain the goal of "two 10 billions," that is, both the total output value and profits and taxes should reach 10 billion yuan respectively, thus enabling the tobacco industry to develop on a bigger scale.

He Zhiqiang indicated: Over the past decade, especially during the Seventh Five-Year Plan, the vast numbers of workers and staff members on the tobacco production front made great contributions to the economic development of Yunnan and the state. With the vigorous efforts of party committees and governments at all levels, the tobacco and cigarette industry has become the biggest pillar industry for Yunnan's economy, a major guarantee for a continued development in Yunnan's economy in the 1990's, and an important way for Yunnan to obtain more revenue and become richer. Therefore, the major tobacco and cigarette industry occupies a decisive position in Yunnan's economic development. At present, we should obtain a full understanding of the severe situation facing the production of tobacco and cigarettes; have a sense of urgency and a sense of responsibility; get prepared for danger in times of peace; intensify the awareness of quality; ensure that the concept that quality is the lifeblood of the production of tobacco and cigarettes can firmly take roots in the hearts of tobacco growers, workers and staff members engaged in tobacco and cigarette production, tobacco and cigarette companies, and party and government leaders at all levels; and make unremitting efforts to enhance the quality of tobacco and cigarettes.

He Zhiqiang added: We should fully understand that we cannot rely on expanding areas sown to tobacco or increasing the output of cigarettes for the attainment of the goal of "two 10 billions." Instead, we should rely on scientific and technological progress, improve the quality of laborers, and readjust the structure of production. Under such circumstances, we should work out policies

and measures which are beneficial to mobilizing the enthusiasm of peasants in growing tobacco, the enthusiasm of enterprises in production, and the enthusiasm of all levels and all sides; beneficial to maintaining a sustained, stable, and well-coordinated development in tobacco and cigarette production; beneficial to enhancing Yunnan's overall economic superiority in tobacco and cigarette production; and beneficial to enabling tobacco and cigarette production to reach the top international level and open up international markets.

Lastly, Governor He emphasized that resolute efforts should be taken to implement the Law on Monopoly of Tobacco and Cigarettes, implement in a down-to-earth manner the policy that tobacco should be manufactured according to the law, carry out production in strict accordance with predetermined production plans, and refrain ourselves from overfulfilling the output quota without the permission of higher authorities. In addition, organs engaged in tobacco and cigarette production should submit themselves to a unified distribution of interests.

Vice Governor Bao Yongkang also attended and addressed yesterday's meeting.

North Region

Tan Shaowen Addresses Rural Work Conference

SK1401090492 Tianjin People's Radio in Mandarin 1000 GMT 13 Jan 92

[Text] The municipal rural work conference was held at the Tianjin Guesthouse from 10-13 January. The theme of the conference was to conduct intensive study of the guidelines of the eighth plenary session of the 13th Central Committee and the eighth enlarged plenary session of the fifth municipal party committee, emancipate the mind, update ideas, and mobilize society to support agricultural development to facilitate Tianjin's agricultural modernization.

Tan Shaowen, secretary of the municipal party committee, and other municipal leading comrades attended the conference. Tan Shaowen pointed out in his speech: In unfailingly deepening the rural reform and continuing to stabilize and improve the party's basic policies in rural areas, the key work is to stabilize and continuously improve the responsibility system with the household-based contracts linking remuneration with output as the major form. We should make concerted efforts to improve the cultural, scientific, and technological level of the peasants, continue to do a good job in delivering science and technology to rural areas, and promote the implementation of the Spark Plan, the Prairie Plan, and the Harvest Plan.

Mayor Nie Bichu gave a speech entitled: "Comprehensively Implement the Guidelines of the Eighth Plenary Session of the 13th Central Committee and Accelerate Tianjin's Rural Modernization." Nie Bichu pointed out: We should emancipate our minds and update our ideas.

We should embrace the ideas of market competition, large-scale agriculture, large-scale circulation, and efficiency and the idea that science and technology are the primary productive forces.

He emphasized: Strengthening the foundation of agriculture requires all departments of the municipality to carry out measures to support agriculture to the letter, and to make active efforts to render good services toward agricultural development.

Tan Shaowen on Awareness of Science, Technology

*SK1401062192 Tianjin TIANJIN RIBAO in Chinese
13 Nov 91 pp 1, 2*

[Report by Tan Shaowen, secretary of the Tianjin Municipal CPC Committee, at the 12 November municipal conference on science and technology propaganda: "Enhancing the People's Science and Technology Awareness Throughout the Municipality"]

[Text] Fellow comrades:

This conference on scientific and technological propaganda is devoted primarily to implementing the guidelines of the CPC Central Committee and the State Council on strengthening study and propaganda of the idea that science and technology are the primary productive forces, and to studying how to strengthen science and technology propaganda work throughout the municipality with a view to enhancing the party's and the people's science and technology awareness. This morning, Comrade Jinkun relayed the guidelines of the national conference on science and technology propaganda; Comrade Chenghuai made an analysis of the current scientific and technological situation at home and abroad, explained the municipal scientific and technological situation, and set demands for science and technology propaganda. Comrade Guoxiang just discussed some very good ideas on strengthening science and technology propaganda in the municipality. I want to discuss some ideas on enhancing the people's science and technology awareness throughout the municipality and strengthening science and technology propaganda.

1. It Is an Urgent Demand To Enhance Science and Technology Awareness

Science and technology play an extremely important role in promoting economic development and social progress. To implement the party's basic line of "one central task and two basic points," and to concentrate on boosting the economy, we must firmly depend on scientific and technological progress and energetically develop scientific and technological undertakings. In this sense, enhancing the people's awareness of science and technology and developing scientific and technological undertakings are necessary to promote reform and opening-up effectively by upholding the central task of economic construction, the demand of bringing along and promoting China's economic development, and the demand of smoothly fulfilling the magnificent objectives

of the Eighth Five-Year Plan and the 10-Year Program. At present, the international situation is changing, and the Western hostile forces are accelerating peaceful evolution in our country and trying to impose economic sanctions and a blockade on new and high technology. Under such circumstances, we urgently need to enhance awareness of science and technology, and to improve our own science and technology with a strong sense of responsibility and urgency. Therefore, enhancing awareness of science and technology is a major issue that directly affects the invigoration of our country's economy, the consolidation and development of the socialist system, and the building of socialism with Chinese characteristics. All our party comrades must have a clear understanding of this issue.

Comrade Xiaoping scientifically summarized the new trends in scientific and technological development and the important role played by science and technology in promoting economic and social development. He also discussed the idea of "science and technology being the primary productive forces." At the Fourth National Congress of Scientific and Technological Associations, Comrade Jiang Zemin called on the entire party and people throughout the country to shift the emphasis of economic construction to depending on scientific and technological progress and improving the quality of laborers. He pointed out: This follows the decision on shifting emphasis from party to economic work, adopted by the Third Plenary Session of the 11th CPC Central Committee, and indicates a shift to an even higher stage. At present, an extremely important task facing us is to study Comrade Deng Xiaoping's theory that science and technology are the primary productive forces, and to study the guidelines of Comrade Jiang Zemin's important speech so that all party members and people in the municipality can catch up with the current situation in ideology, become more aware of science and technology and doing their work well, and truly shift economic construction to depending on science and technology and improving the quality of laborers.

Since the third plenary session of the 13th Central Committee, people across the municipality have ceaselessly strengthened their awareness of science and technology; an atmosphere of the people loving, learning, and applying science has developed; and the municipality has pursued scientific and technological undertakings and made noticeable achievements in promoting the development of the economy through science and technology. We still have a long way to go, however, to meet the central authorities' requirements. Some people still have ideological obstacles. For instance, some did not coordinate investment with reliance on scientific and technological progress, or giving full scope to the functions of scientific and technological progress. Some used technological transformation funds for equipment, workshops, and labor forces. With regard to production and management, some paid more attention to short-term interests and less to grasping technological progress and increasing the reserve strength for development, so

as to achieve long-term economic results and gain benefits for the staff and workers. This indicates that we still have to exert great efforts to really foster the idea that science and technology are primary productive forces. We still have to shift the focus of economic construction to relying on scientific and technological progress and upgrading the quality of laborers.

Whether we can hasten the development of science and technology and simultaneously increase the degree of their utilization in production depends in many aspects on the work. The development of science and technology is affected by several things. Paying less attention to scientific and technological work is also a very important factor. Therefore, upgrading the party's and people's awareness of science and technology is a problem that must be solved conscientiously. Viewing the current conditions, we know that the conditions of some units are not so poor, but that their leaders do not have a strong sense of science and technology. They do not put scientific and technological work in a proper position, or fail to fully exploit their favorable conditions. All this seriously affects the development of production. Without good conditions, some units still ceaselessly upgrade their production and technical levels as well as the quality of their staff and workers, and make noticeable achievements in production and economic results because their leaders, staff, and workers have a strong sense of science and technology and are willing to immerse themselves in the scientific and technological work. For instance, the integrated meat processing plant was rather backward in terms of production equipment, and it did not have good production conditions. In the past few years, the plant imported advanced foreign equipment and firmly attended to technological transformation to develop successfully the intensive processing of cooked meat. As a result, it noticeably improved its production and increased its economic results. Meanwhile, by assimilating, absorbing, and improving advanced technologies, the plant also manufactured complete sets of equipment for making cooked meat products. The plant has not only expanded the production scale and upgraded the production level, but also marketed its equipment to 15 provinces and municipalities as well as some foreign countries, including the Soviet Union and Cuba. Despite facing many factors for reduced profits, the plant has constantly increased its economic results over recent years. The situation of some units indicates that so long as leaders strengthen their awareness of science and technology and enterprises upgrade their technological levels, enterprises will be able to make great strides under current conditions. Therefore, we should ceaselessly help the whole party and all people of the municipality upgrade their awareness of science and technology, strive to do a good job in this regard, and organize gigantic spiritual forces to develop science and technology. Only by so doing will we be able to tap our gigantic production potential and better promote economic development.

Marxism maintains that man's social existence determines his social consciousness, and his social consciousness has a great effect on his social existence. Our party is the vanguard of the working class, and it represents advanced productive forces. With economic development and social progress we should have a stronger awareness of science and technology, and should make the broad masses of people accept it and turn it into a common societal understanding.

Comrade Mao Zedong said: "Once when the correct ideology of the advanced class is understood by the masses will it become a material force for transforming society and the world." Scientific and technological undertakings are the understandings of the masses of people. Only when the masses of people have universally enhanced their awareness of science and technology and have definite scientific and technological quality can they create a good social environment to promote the development of science and technology and their application in various spheres.

2. We Should Turn the Enhancement of Scientific and Technological Awareness Into a Definite Goal in Terms of our Understanding

Scientific and technological awareness mainly means our understanding of the status and role of science and technology in the development of human society. To enhance awareness of science and technology, we must fully recognize the decisive role played by science and technology in achieving modernization in the national economy, and include scientific and technological work on our agenda; respect science and consciously manage things in line with the law of science development and the law of turning science and technology into productive forces; cherish and respect knowledge and trained personnel and encourage the broad masses of scientific and technical personnel and the masses of workers to be inventive and creative. In short, we should effect a profound change in all fields of work and realistically channel economic construction to the path of relying on scientific and technological progress and enhancing the quality of workers. There is much to do to raise our awareness of science and technology. I think we should enhance our understanding in five aspects in line with the actual situation of our municipality.

A. We should enhance our understanding that science and technology are the primary productive forces. More and more people have recognized this. However, some comrades lack the profound understanding that science and technology are the primary productive forces. They have failed to realistically place science and technology in the primary position in their practical work, among other essential production factors. We should recognize that with the unceasing development of human society, science and technology have more prominently manifested their tremendous role in economic and social development as well as in reform. The scientific thesis that science and technology are the primary productive forces indicates their primary role in improving the

development of productive forces and today's social economy. Among the essential production factors, science and technology are standing neither side by side with other essential factors nor in a subordinate position. They are an essential factor with a special function that cannot be matched by other essential production factors. They have infiltrated all essential production factors. They have played a decisive role not only in raising the quality of laborers, the efficiency of the tools of labor, and the subject of labor; they have also played a decisive role in raising the quality of nonsubstantial factors, such as production information and production management. The application of science and technology plays a protracted role in developing production and increasing economic efficiency; the results of the application will be protractedly consolidated and materialized in all sorts of production elements, and then become the modernized foundation for industrial production and economic development. Therefore, to obtain a profound understanding of the scientific thesis that "science and technology are the primary productive forces," we should truly put the "primary productive forces" in the "first" place in ideology and work. In developing production, we should not only take into account the factors of investment, plant buildings, and equipment, but should pay attention to raising production and technology levels, to improving the quality of workers and staff members, to increasing the technology content of products, to making scientific policy decisions for management, and so on, so that scientific and technological progress will play an increasing role in developing production and increasing economic efficiency.

B. We should understand that we must depend on scientific and technological progress to vitalize old industrial bases. In the current world, international economic competition essentially means competition in comprehensive national strength; and the key to competition in comprehensive national strength lies in competition of science and technology and competition of talented people. The level of science and technology and the degree of application of science and technology in production essentially decides the growth rate and development level of the national economy. All localities in the country are currently shifting economic development to depending on scientific and technological progress and improving the quality of laborers. As an old industrial base, Tianjin Municipality should depend on scientific and technological progress to an even greater extent, and should make the shift even faster and in a better manner. There are many reasons for it. a) As an old industrial base, Tianjin has many old enterprises, whose equipment and technology are seriously aging. Although the central authorities have given the municipality great support, and the municipality itself has made great efforts, most old industrial enterprises in the municipality have not yet been renovated, and their outmoded equipment, backward technology, aged products, and dangerous and crude buildings remain problems crying for urgent solution. Of the existing equipment in enterprises throughout the municipality, 72 percent are on the

general or backward level, and 36.7 percent have been used for more than 20 years. Some products turned out by old equipment, technology, and skills not only lag behind similar products around the world, but also some fraternal localities in the country. b) As a conventional industrial base, Tianjin has many conventional industries, and the output value of the new high-tech industries accounts for a very small portion of the total industrial output value. Constantly using newly developed industries to replace some declining conventional industries is the objective law of economic development. Only by depending on scientific and technological progress and by constantly developing new technologies and industries will it be possible to continuously replace those conventional industries lacking superiority, and to renovate effectively some conventional industries through technological progress. c) As a processing-oriented industrial base, Tianjin has many enterprises which buy raw and semi-finished materials from other places and then sell the processed goods to other places. About 80 percent of the industrial raw and semi-finished materials of these enterprises have been bought from places outside the municipality, and more than 70 percent of their processed goods have been marketed in places outside the municipality. When the commodity economy develops constantly and market competition becomes increasingly sharp, only with a high technology level and high added value of products can we use high-priced raw and semi-finished materials to produce readily marketable products with good quality, low prices, and efficiency. In view of the current situation, we can see that the prices of raw and semi-finished materials are rising constantly, market growth is not mature, and the profits of the processing industry are flowing to other places in large amounts. Only by depending on scientific and technological progress can we bear all sorts of unfavorable factors, and then develop Tianjin's economy in a stable manner.

C. We should upgrade our understanding of having scientific and technological work geared to economic construction. In view of scientific and technological departments and workers relying on scientific and technological progress to develop the economy, it is necessary for them to upgrade their understanding on having scientific and technological work geared to economic construction. Since the drive to reform scientific and technological programs began, the system enforced by the scientific research units in regard to totally relying on the funds appropriated by the state has incurred primary changes, and the consciousness of having science and technology geared to economic construction has been greatly enhanced. Problems cropping up in this regard have not been totally dealt with, however. For example, the phenomenon of separating scientific research from production development still exists. Some selected research topics are remote from practical needs, and results are sometimes useless. Efforts made in manufacturing technology research have not been sufficient and the research results cannot be rapidly applied to production. The application of a large number of advanced and

applicable research results has been slower because of the backwardness of popularization work. The purpose of scientific research is to apply scientific research results to economic and social development, to be used at present or in the future. Only scientific research results that meet the need of production development can be rapidly applied to production. While enhancing basic research, the broad masses of scientific and technological personnel should go deep into the productive reality to learn in a timely manner information concerning the demands of scientific and technological results. They should also consciously consider the technical difficulties cropping up in developing the national economy, which need to be dealt with urgently, as the key subjects of research in overcoming technical problems.

We should pay special attention to conducting research in line with the municipality's key construction projects and technical renovations as well as the productive and technical problems cropping up in the pilot work undertaken by state-run large and medium-sized enterprises. We should continuously develop scientific and technological results that are suitable to social demands and conform to the needs of productive reality. The current competition among economic sectors is among the capability and speed of applying or popularizing scientific and technological results to productive fields. Scientific and technological personnel should coordinate with enterprises to engage actively in popularizing scientific and technological results. Efforts should be made to foster the concept of paying simultaneous attention to development, research, and technical assimilation. Our municipality has not assimilated the many technologies from the large number of advanced equipment imported in the 1980's. Therefore, work in this regard needs to be enhanced. Only by integrating research with the work of importing technologies, assimilating the advanced ones, and of creating something new can we more rapidly and better upgrade our level in science and technology; turn imported technologies into our own; increase the economic results of imported technologies; and turn the technology imported by specific enterprises into an advanced technology of the industry as a whole.

D. We should upgrade our understanding on respecting knowledge and talented personnel. The practice of respecting knowledge and talented personnel is the social practice persistently advocated by our party and country, and the specific manifestation of enhancing scientific and technological awareness. The municipal party committee and the municipal people's government have paid great attention to this work. Since reform and opening to the outside world began, the situation in this regard has changed, and a good social and political environment has been created for the broad masses of intellectuals to display their talent. In our municipality, however, some problems still exist in respecting knowledge and talented personnel. Some units have not paid sufficient attention to the role of talented personnel, have not analyzed the characteristics of every individual, and have not brought the role of talented personnel into play in line with their

strong points. The potential of a large number of scientific and technological personnel has not been brought into full play. In the modern world, those who have possessed talented personnel and respected talented personnel will eventually win. We should implement the practice of respecting knowledge and talented personnel in various fields. Efforts should be made to deepen systematic reform in scientific and technological management continuously, to transfer talented personnel rationally, to bring their enthusiasm and creativeness into full play, and to gradually deal with the problems cropping up in using the individual's ability to the utmost in systems and mechanisms. We should display the role of scientific and technical personnel, pay special attention to training young and middle-aged scientific and technical personnel, and enable them to grow as quickly as possible. It is necessary to create a democratic academic environment and give handsome awards to intellectuals who make outstanding contributions. It was learned that some units, including the Electronic Meters Bureau, implemented a number of award methods among scientific and technical personnel who made outstanding contributions to scientific research, technological transformation, and development of new products, in an effort to boost their enthusiasm. All units should proceed from their own reality and formulate award methods.

E. We should enhance understanding of the importance of raising the quality of laborers. Raising the quality of the broad masses of laborers is the basis for relying on scientific and technological progress. Scientific and technological progress requires high-quality laborers. Enhancing the quality of laborers can promote the development and application of science and technology. Therefore, paying attention to raising the quality of laborers is also one of the important aspects of enhancing the awareness of science and technology. During the last few years, our municipality made definite achievements in educating and training scientific and technical personnel as well as workers. Some units achieved noticeable success and gained valuable experience in this regard. Judging from the general situation, however, the low quality of laborers has remained a prominent problem affecting our municipality's economic development. Of the 960,000 technical workers in our municipality, 32.1 percent are low-level workers, 60.1 percent are middle-level workers, and 7.8 percent are high-ranking workers. In some developed countries, high-ranking workers accounted for around 80 percent, and the proportion of their low-level workers was low. Particularly during previous years, in the course of recruiting enterprise workers, a great number of old technical workers in our municipality retired and their posts were filled by a batch of apprentices who were not systematically trained. This greatly weakened the quality of the ranks of technical workers. Many units have poor awareness in raising the quality of laborers. Some enterprises had no time to train their workers when they were entrusted with heavy tasks, and failed to organize training when they were operating below capacity.

lacking a sense of urgency in raising the quality of laborers. A considerable number of workers lacked enthusiasm for studying general knowledge and technology, and some others even hated to do so. These problems merit the attention of leaders at all levels. If the quality of laborers is low, we will not achieve good results even when we have advanced equipment and funds. Our municipality has initiated some new large and medium-sized construction projects, and some old enterprises have increased their input in technological transformation. After several years, the industrial technological level will be greatly enhanced. If we do not have a contingent of high quality workers, it will be impossible for us to meet the needs of the new situation. Leaders at all levels across the municipality, particularly plant directors and managers of enterprises, should realistically understand the importance and urgency of raising the quality of laborers, regard the enhancement of workers' quality as a long-term strategic task, and grasp this work firmly and well. We should boost the enthusiasm of the broad masses of workers in cherishing, studying, and applying science; strive to have a good command of modern scientific and technological knowledge; and apply them in production and work. It is necessary to conduct and popularize cultural and scientific education in a down-to-earth manner, strive to raise the scientific and cultural level of the masses of people, and conduct activities on general knowledge and technology and scientific research and inventions among workers. We must combine the enhancement of the worker quality with the building of the socialist spiritual civilization, and conduct extensive activities at various levels that are beneficial to raising the ideological, cultural, scientific, and technological level of workers. If we do a good job in this aspect, we will surely have a tremendous material force for promoting the scientific, technological, economic, and social development.

3. To Enhance Awareness of Science and Technology, We Should Greatly Intensify Publicity on Science and Technology.

To enhance awareness of science and technology, hard work is required from all quarters of society. Enhanced scientific and technological awareness comes from the people gradually understanding, through practice and the guidance of good policies. It is achieved mainly through the influence of the media, however. Central leading comrades and pertinent central departments put forward many requirements on succeeding in the publicity of science and technology, and Comrades Cheng-huai and Guoxiang offered many good opinions today. I will emphasize several points.

First, we should make conscientious efforts to enhance the understanding of leading cadres at all levels. Comrade Ruihuan pointed out at the national conference on the publicity of science and technology that publicizing science and technology among leading persons should be a focus. It has particularly important significance in enhancing the awareness of leading cadres of science and technology through publicity. Leading persons play a

very important role in leading the masses to achieve modernization. Only when they enhance their scientific and technological awareness can they do a better job in explaining, organizing, and leading the masses to enhance their understanding, change their concepts, and voluntarily plunge themselves into liberating the primary productive forces. Only when they enhance their scientific and technological awareness can they achieve success in the scientific and technological work of the localities, departments, and units under their leadership and truly facilitate the work to have economic work rely on scientific and technological advances and improving the quality of laborers.

In view of the existing problems, we should put demands on leading comrades to enhance awareness of science and technology. 1) They should understand science and technology. We do not require that leading persons become scientific and technological experts or understand specialized scientific and technological knowledge. They should, however, have a rudimentary knowledge of the scientific and technological work they lead or are involved with. 2) They should attach importance to and support the development of science and technology. Some of our units have fairly good conditions and forces, although they cannot be actively and effectively used by their leading comrades due to lack of understanding. They should make conscientious efforts to change this situation. 3) They should conscientiously study and correctly master the law governing the development of science and technology. There are inherent laws governing the development of science and technology and their transformation into productive forces. Only when they have a good grasp of these laws can they have more initiative in doing their work, eliminate the numerous obstacles to scientific and technological development, and do a good job in organization, transformation, and service.

Second, scientific and technological departments and propaganda departments should work in close coordination in publicizing science and technology. The reason we stress the coordination of these departments is that scientific and technological departments and propaganda departments have their own advantages and deficiencies in the publicity of science and technology. Propaganda departments take charge of such mass media as newspapers, radio, and television; have a competent propaganda contingent both politically and professionally; and are familiar with the law governing publicity work. However, they lack sufficient understanding of specialized scientific and technological knowledge and a good command of the law governing scientific and technological work, which is their deficiency. Comrades of scientific and technological departments have rich scientific and technological knowledge and understand the law governing the development of science and technology and the transformation of them into productive forces, but they lack sufficient personnel for publicity, sufficient understanding of the professional work of publicity, and a strong sense of publicity.

If we organize the comrades of these two different departments and develop their advantages, a strong force for publicizing science and technology will take shape and good results will be achieved in publicity.

The Propaganda Department should put the work of publicizing science and technology in a proper position and pay sufficient attention to it. Now that the work of the entire party is centered on economic construction, which has also been shifted to relying on scientific and technological progress, the task of publicizing science and technology should occupy a very important position in propaganda work as a whole. In publicizing science and technology over the past few years, our municipality has shown an increase in quantity of work, upgraded the scientific and technological level, and achieved definite results. Compared with the situation, however, scientific and technological propaganda still lags behind. We should continue to make efforts to carry out new improvements in the content and style of publicizing science and technology in line with the original basis. For example, some outside newspapers have begun a special column called "Scientific and Technological Star," and achieved good results. We should follow them in beginning columns on specific tasks with our own characteristics. Personnel in charge of scientific and technological propaganda should gradually master this propaganda work, grasp the law of scientific and technological propaganda, and enhance the sensitivity of this propaganda. Efforts should be made to upgrade the quality, level, and effect of scientific and technological propaganda. In conducting scientific and technological propaganda, we should provide more high-level articles that can truly inspire the people, in addition to some information and reports. The Propaganda Department and propaganda workers should earnestly study the principles and policies issued by the party and the state on developing science and technology; learn about the development strategy, important plans and measures, and relevant laws and regulations on science and technology; and go deep into the forefront of scientific research and technical renovations so that the work of publicizing science and technology is deeper and achieves more results.

Scientific and technological departments and workers should also regard scientific and technological propaganda as an important component of their own work and put it in a proper position. In the past, our comrades in charge of scientific and technological work often paid attention only to the work itself, and gave less consideration to the issue of successfully publicizing science and technology and enabling all of society to understand and pay attention to science and technology. Some excellent scientific results were not known because of the lack of propaganda. Scientific and technological workers should regard popularizing scientific and technological knowledge and publicizing results in society as an unshirkable duty. They should coordinate closely with the Propaganda Department, actively inform propaganda units of the situation, and write articles for these units. Scientists should write articles and papers with mass appeal on

scientific popularization. Departments in charge of scientific and technological management should also pay attention to successfully organizing the work of publicizing science and technology. Scientific and technological propaganda is a task undertaken by the entire party. It is hoped that various industries, trades, and departments will show concern and support, and join in the task as well contributing to the success of this work.

Third, we should foster advanced scientific and technological cases in various categories. The state recently decided to confer the honorary title of "The Country's Scientist With Outstanding Contributions" on Comrade Qian Xuesen, which has evoked strong repercussions among various social figures throughout the country, particularly among scientific and technological workers. This demonstrates the concern and attention paid by our party and country to scientific and technological personnel. We should also foster a number of advanced and typical cases in science and technology throughout the municipality. For example, our municipality has more than 600,000 scientific and technological workers, and a large number of them have fine quality in specialized fields and are displaying a selfless spirit. Of these scientific and technological workers, some are elderly scientists who returned to the municipality soon after the PRC's founding and joined in municipal construction; some are middle-aged scientific and technological workers who are playing a backbone role in modernizing science and technology; and some are new scientific and technological personnel emerging in the course of conducting reform and opening to the outside world. Several generations of scientific professionals and technicians have created epic and brilliant achievements. Through selection, we should commend a group of the most outstanding comrades and disseminate their achievements. Some examples are: More than 280 industrial workers in the municipality who had made contributions have been commended and extolled, and more should be. Of the leading cadres at various levels, some take the lead in paying attention to and relying on science and technology, and do their jobs well by bringing the functions of science professionals and technicians into play. Some vivid examples of relying on scientific and technological progress and upgrading the quality of laborers to improve production and management activities and to greatly increase economic results emerged in industry, agriculture, commerce, and other trades. Some models of invention and creation emerged among university students and primary and middle school students. Certainly in the past, we commended and rewarded some examples in various spheres. But, I think that we did not do enough to disseminate their advanced deeds. We should disseminate the style and features of the times and the work achievements displayed by the science professionals and technicians in the new technological revolution. We should have the vast number of cadres and people really learn from the examples. We should follow a social practice of respecting knowledge and skilled persons, studying science, and promoting scientific and technological progress.

Fourth, we should make efforts to conduct propaganda on popularizing the general knowledge of science. Over the years, we have successfully conducted propaganda on popularizing the general knowledge of science. For example, the masses have a good idea of special programs, such as "the Milky Way of Science and Technology" produced by the Tianjin Broadcasting Station, and "the Long River of Science and Technology" produced by the Tianjin Television Station. The municipal Science and Technology Commission and the municipal Science and Technology Association have done much in this regard and made good achievements. Propaganda on popularizing the general knowledge of science is a key component of propaganda on science and technology. It has the characteristics of catering to the demands of the masses as well as exerting a subtle influence on the people. It is noticeably effective in helping the vast number of leaders and people upgrade their awareness of science and technology. We should adopt various forms to positively conduct propaganda on popularizing the general knowledge of science. Press, radio, and television should conduct propaganda on popularizing general knowledge of science according to their own special features. We should study how to collect advanced scientific and technological knowledge to compile teaching materials on the general sciences that are easily understood. Party and government organs at various levels should use various kinds of opportunities to conduct propaganda on popularizing the general knowledge of science. For instance, in making study arrangements, party schools at various levels, cadre schools, and party and government cadre training classes should appropriately increase scientific and technological knowledge and combine theoretical study with study of scientific and technological knowledge. Departments concerned should organize forces, study plans for conducting propaganda on general knowledge of science, and simultaneously adopt positive measures and open various channels to vividly conduct the propaganda and to strive to make noticeable achievements.

Northeast Region

Sun Weiben Visits Radio, Television Department

SK1401123892 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 13 Jan 92

[Excerpts] [Passage omitted] On the afternoon of 13 January Sun Weiben, secretary of the provincial party committee, received the work group that produces the radio drama series "Shui Hu Lu" [Water Margin], in the provincial radio and television broadcasting department. Comrade Sun Weiben, accompanied by the leading personnel of the provincial radio and television broadcasting department, including (Zhang Kezhong), (Xu Jinzhang), (Wang Yiren), (Cong Ling), and (Liu Xiangchen), viewed the studio producing the series and extended regards to the technical personnel and radio

actors acting on the spot. He also asked detailed questions about how a series is recorded. Then he listened with great interest to the episode entitled "Lin Chong Jia Bie." [passage omitted]

During his visit to the studio, Secretary Sun Weiben was briefed by (Zhang Kezhong), director of the provincial radio and television broadcasting department. He told Secretary Sun Weiben that to implement the directives issued by the provincial party committee and the provincial people's government on developing the national culture and heightening the national spirit, the Heilongjiang people's broadcasting station and the units concerned are jointly and hurriedly rehearsing and producing the large radio series drama, "Shui Hu," with about 60 chapters, which has been the longest drama series produced by the provincial people's broadcasting station since its founding and is also the longest radio classical drama series in the country. In order to make the series a success, the provincial people's broadcasting station has formed a stronger lineup by amassing about 200 personnel from the producers' contingents throughout the province who are outstanding editors, directors, musicians, sound effects technicians, actors, and communicators.

During his visit, Secretary Sun Weiben delivered a speech to warm applause. [passage omitted]

Before he left, Comrade Sun Weiben also wrote an inscription for the series, which says that it is necessary to develop the art of the radio drama series to make the province's culture flourish.

Attends Financial Conference

SK1401234692 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 13 Jan 92

[Text] According to the dispatch from the provincial work conference that opened on 13 January on financial affairs, our province's emphasis of financial work this year will be on vigorously supporting the development of the county-level economy, giving a helping hand to enterprises in increasing their economic results, having science and technology make the province flourish, and putting the scientific research results into service for productive forces.

Attending today's financial work conference were Sun Weiben, Shao Qihui, Chen Yunlin, Zhang Xiangling, He Shoulun, Du Xianzhong, Cong Fukui, Zhou Tienong, and Quan Yuxiang.

During the work conference, Vice Governor Chen Yunlin delivered a speech on the issue of successfully conducting financial work and promoting the development of economic construction.

In his speech, Vice Governor Chen Yunlin urged governments at all levels and financial departments to boost enterprises, to shift their mechanism, and to encourage enterprises to vigorously increase their economic results. First, he urged financial and tax revenue departments to

bring into full play the role of macroeconomic readjustment and to make use of administrative and economic methods to resolutely suspend or transfer the production of commodities listed as eliminated goods, goods produced by money-losing enterprises, goods in excess supply, or goods suffering stagnant sales. As for enterprises that have refused to receive production suspension or restrictions on their production quota, we should enforce the policy of not giving them bank loans, not giving them preferential financial treatment, and not giving them tax exemptions. Second, he urged financial departments to bring into play their strong points of having quick access to information, being sensitive in reaction, and having a wide range of contacts with social circles; and to support enterprises in regarding markets as a guide and vigorously producing commodities that enjoy brisk sales.

In his speech, Vice Governor Chen Yunlin also urged governments at all levels and financial and tax revenue departments to support the work of turning the scientific and technological results into productive forces and to encourage enterprises to vigorously upgrade the competitive strength of their products. He urged financial and tax revenue departments at all levels to realize the enforcement of the awards systems among scientific and technological personnel who have made prominent contributions, to bring into full play the promoting role of the financial and tax revenue policies, and to emphatically promote the work of turning scientific and technological results into productive forces.

Beginning with this year, the provincial financial department is ready to appropriate 2 million yuan annually for the enforcement of the awards systems. Financial departments at all levels should also raise relevant funds for awards.

In referring to the issue of supporting the development of the county-level economy in his speech and of promoting its flourishing, Vice Governor Chen Yunlin pointed out that having the financial work support the development of the county-level economy is not only a matter of appropriating money but also a very important matter of successfully spending the money. He pointed out that in vigorously supporting the work of relying on science and technology to develop the county-level economy, we should regard as a leading measure the task of promoting the large-scale transformation of scientific and technological results. Efforts should be made to vigorously develop the foundation of the county-level economy and to make efforts to develop benefit-oriented agriculture with high yield, high economic results, and high additional value. We should also vigorously support the development of industrial enterprises at county and township levels and the technical progress in the key production of enterprises, encourage enterprises to turn their losses to profits, and boost county- and township-level enterprises that are the resources of financial revenues. Efforts should be made to help commercial and

grain enterprises improve their operation and management and reduce their losses so as to relieve counties' burdens.

Quan Shuren Addresses Forum of Nonparty Figures

SK1401235692 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 13 Jan 92

[Text] This afternoon, leaders of the provincial party committee gathered happily under the same roof with various democratic party and nonparty figures in the province and with responsible persons of relevant mass organizations to discuss the provincial work of the past year and to look into the situation and tasks of this year. Quan Shuren, secretary of the provincial party committee; Sun Qi, deputy secretary of the provincial party committee; and Xu Wencai, member of the Standing Committee of the provincial party committee and secretary general, attended the forum. Liu Qingkui, director of the United Front Work Department of the provincial party committee, presided over the forum.

At the forum, Comrade Quan Shuren first delivered a report to nonparty figures on our province's economic situation and this year's tentative work plans. Quan Shuren said: Like other localities across the country, our province witnessed a period of political stability and economic development during the past year. He said: During the past year, we continued to consolidate and develop cooperation and democratic consultation with various democratic parties. Various democratic parties actively participated in the discussion and administration of state affairs. Particularly under the temporary difficult economic situation, they displayed the spirit of helping each other and actively offered suggestions. Many comrades went deeply among the grass roots to conduct investigation and study and contributed to overcoming difficulties and effecting a turn for the better in the situation.

Quan Shuren said: At present, the world is in a crucial period of replacing the old pattern with the new pattern. All large countries are stepping up their efforts to launch a competition of comprehensive national power focusing on the economy and science and technology. In such a situation, we must more closely rally around the party Central Committee with Comrade Jiang Zemin as the core, unwaveringly advance along the socialist road with Chinese characteristics, comprehensively implement the party's basic line, appropriately strengthen the reform dynamics, expand opening up, and further promote a stable political, economic, and social development in our country. The general guiding ideology of this year's work is to organize and mobilize all Communist Party members and the masses of people to particularly grasp well the tasks in five aspects: First, deeply implement the guidelines of the central work conference and the eighth plenary session of the 13th party Central Committee, and push our province's economic work forward as quickly as possible; second, strengthen the reform

dynamics and raise the level of opening-up; third, realistically strengthen party building and unceasingly enhance the party's fighting strength and cohesion; fourth, do a good job in socialist ideological education and promote the building of the socialist spiritual civilization; fifth, strengthen the building of democracy and the legal system, and consolidate and develop the patriotic united front.

At the end of his speech, Quan Shuren said: This year our tasks are arduous. But our situation is improving and our prospects are bright. We are convinced that with the correct leadership of the party Central Committee and the State Council, the united efforts of the people of various nationalities across the province, and the help given by various democratic party and nonparty figures, we will surely smoothly realize our province's various work objectives set for this year, and greet the convocation of the 14th party congress with actual deeds.

Nonparty figures attending the forum took the floor one after another and agreed that our province made great achievements in various fields of work during the past year. They also offered opinions and suggestions on this year's tentative plans of the provincial party committee, the current building of the two civilizations, the legal system, and the development of agriculture and education.

Responsible persons of the provincial committees of the Revolutionary Committee of the Chinese Kuomintang, the China Democratic League, the China Democratic National Construction Association, the China Association for Promoting Democracy, the Chinese Peasants and Workers' Democratic Party, the China Zhi Gong Dang, and the Jiusan Society; the provincial Federation of Industry and Commerce; the provincial Federation of Returned Overseas Chinese; the Federation of Taiwan Compatriots; and the provincial Huangpu Military Academy Alumni Association; and nonparty figures, including Liu Mingjiu, Ming Shiji, Gao Qingzhou, Jiang Xiaoqin, Liu Chun, Xia Dezhao, (Zhang Ruiming), (Tao Chunan), Feng Yousong, Yue Weichun, Ma Pinfang, Li Feng, (Sun Guifang), and Wang Zun were invited to the forum. Dai Hongwu, deputy secretary general of the provincial party committee, and Fang Guoda and (Ding Jiaren), deputy directors of the United Front Work Department of the provincial party committee, also attended the forum.

Dalian Shipyard Launches 98,000 Ton Oil Tanker

OW1401190892 Beijing XINHUA in English
1550 GMT 14 Jan 92

[Text] Dalian, January 14 (XINHUA)—The new Dalian Shipyard in northeast China's Liaoning Province launched a 98,000 DWT [deadweight tons] oil tanker and completed manufacturing another of the same size Tuesday.

Designed by the shipyard, China's largest ship-fitting plant, the two oil tankers were manufactured for the Norway-based Anders Wilhelmsen & Co. and the O.M. Company of the U.S., respectively.

These tankers are 240.7 m long and 41.2 m wide, and have a navigating speed of 15.3 nautical miles an hour.

All the engines were produced by the Dalian Diesel Engine Factory.

Northwest Region

Gu Jinchi at Meeting on Rectifying Work Style

HK1501065892 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 6 Jan 92

[Text] Yesterday morning, the provincial CPC Committee held a meeting on summing up and exchanging experiences in work style rectification in organs directly under provincial authorities in an auditorium of Lanzhou's (Niuwozhuang) Guesthouse. Gu Jinchi, Li Ziqi, Xu Feiqing, Yan Haiwang, Zhang Wule, and (Sun Xiaozheng) attended the meeting. Lu Kejian presided over the meeting.

At the meeting, responsible comrades from the Lanzhou Railway Bureau, the provincial General Company of Machinery Industry, and the provincial CPC Committee reported on their own achievements in rectifying work style, and the main methods they adopted in this regard. After listening to these three units' reports, provincial party Secretary Gu Jinchi said: Thanks to their efforts exerted over the past six months, various departments in organs directly under provincial authorities have done a lot of work in rectifying their work style and have achieved initial results. Some problems related with work style in organs have been, or are being, solved. However, work style improvement is a long-term task. In the new year, we should persistently grasp it, so that the thinking, mental outlook, and work style of cadres in organs directly under provincial authorities will change more significantly. This will enable them to set a good example for organs at all levels throughout the province.

Gu Jinchi pointed out: Grasping well the improvement of the thinking and work style of leading groups is an important content of the work of rectifying the work style of organs this year. In the course of promoting the improvement, those who are in primary responsibility positions should play their essential role in holding fast to the principle. In this connection, first, they should hold fast to the political principle. Second, they should hold fast to the ideological principle. Third, they should hold fast to the principle on decisionmaking. And fourth, they should hold fast to the principle on work style. In the meantime, they should play their organizing, leadership, and supervisory roles in theoretical study and enhancement of political quality. They should understand the importance of theoretical study from the high plane of opposing peaceful evolution and persist in taking the socialist road with Chinese characteristics. They should strictly observe discipline in study and make efforts to ensure that theoretical study will become a regular and systematic practice. Efforts should be

devoted to integrating theories with practice. Furthermore, they should play their organizing and coordinating roles in promoting the unity and unification of leading bodies. They should also play a guiding and promoting role in inspiring enthusiasm and improving work style.

Gu Jinchi also forwarded specific demands on strengthening clean and honest administration, promoting the exemplary role of those who are in primary responsibility positions, and so on.

Provincial party Deputy Secretary Yan Haiwang also spoke at the meeting. More than 200 responsible comrades from various departments, committees, and bureaus directly under provincial authorities attended the meeting.

Gansu Sentences 30 'Criminals' to Death for Theft

HK1401130392 Hong Kong AFP in English 1240 GMT 14 Jan 92

[Text] Beijing, Jan 14 (AFP)—More than 30 criminals were sentenced to death in China's western Gansu province during a massive sweep against thieves, the local *LEGAL HERALD* reported.

Since September, large cities in the province held 774 public meetings attended by more than 1.1 million people to announce results of the crackdown, the newspaper said.

The drive was centered in the provincial capital Lanzhou, where anti-riot and paramilitary police were brought in to reinforce the regular police force.

The death sentences were announced at some 30 large public rallies held in various cities, where another 120 thieves were also sentenced, the paper said. Death sentences are usually carried out immediately after being announced.

The newspaper said the sentences were aimed at "encouraging the masses and shocking criminals," adding that the "fight against theft" would be expanded.

China launched a three year crackdown on theft in September as part of a overall effort to wipe out crime. Hundreds of executions were announced last year and have continued into 1992.

Yin Kesheng Inspects Anti-Drought, Plowing Work

HK1501015492 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 9 Jan 92

[Excerpt] From 7 to 8 January, while inspecting work for combating drought and plowing preparations in Haidong, Yin Kesheng and other leading comrades put forward concrete demands and suggestions on questions regarding further stepping up combating drought and plowing preparations, and developing agricultural production.

After watching firsthand the masses of peasants carrying ice into the fields, erecting dams to preserve ice, repairing and drilling motor-pumped wells, provincial party Secretary Yin Kesheng said happily: There is a reserve of endless wisdom and strength among the masses of peasants. Only by mobilizing and appropriately organizing the masses can antidrought work be conscientiously done. He called on cadres and the masses to carry forward the spirit of solidarity and struggle by engaging themselves in an active and offensive battle and the spirit of struggling against difficulties, and to use combating drought as a driving force to promote the progress of all work in rural areas. He also called on all trades and professions, and party and government departments at all levels, to enhance the understanding of the fundamental role of agriculture, and to turn the all-out support for antidrought work in rural areas into a concrete action of implementing the Eighth Plenary Session of the Central Committee. [passage omitted]

Zhang Boxing Addresses Science, Technology Forum

HK1501061992 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 11 Jan 92

[Excerpts] Yesterday afternoon, the provincial party committee and government invited some Shaanxi-based Chinese Academy of Sciences members to a forum at which many experts voiced their views and proposals on developing Shaanxi through advanced science and technology. [passage omitted]

Provincial party committee Secretary Zhang Boxing delivered a speech in which he, on behalf of the provincial party committee and government, first and foremost extended congratulations to all those newly elected Chinese Academy of Sciences members and expressed appreciation of the numerous outstanding scientific achievements scored by both veteran and newly elected Shaanxi-based Chinese Academy of Sciences members.

After briefing the Shaanxi-based Chinese Academy of Sciences members on the overall situation on the provincial scientific and technological front, Zhang Boxing noted: Shifting economic construction into the orbit of relying on advanced science and technology and improving labor quality is of great importance to fulfilling the provincial 10-year National Economic and Social Development Program and Eighth Five-Year Plan and is the key to attaining the provincial second-stage strategic goal. We must earnestly transform our concepts and enhance a concept of science and technology in the whole society. One of the aims of unfolding in the foreseeable future a series of month-long and province-wide propaganda activities entitled Spring of Science, is to extensively publicize the concept that science is the primary productive force and to enhance a concept of science and technology among all people in our province.

Zhang Boxing emphatically asserted: Respect for knowledge and qualified personnel is the key to continued scientific and technological development. Therefore,

party committees and governments at all levels must try in every way to create a favorable work environment, a favorable living environment, and a favorable social environment for scientific and technological personnel so as to make it more convenient for them to play their due roles.

Provincial leaders, including Bai Qingcai, Mou Lingsheng, An Qiyuan, Zhou Yuguang, and Lin Bishou, also attended the forum. [passage omitted]

Radio Reports on Shaanxi's 1991 Export Trade

HK1501021092 *Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 10 Jan 92*

[Text] There was a sustained and steady increase in our province's foreign trade and exports last year, with total exports reaching 591 million, an increase of more than 28 percent over the previous year. Last year, the state carried out a major reform of the foreign trade structure by canceling central financial subsidies to exports, by having enterprises assuming sole responsibility for their profits or losses, and by introducing fair competition. Our province's foreign trade departments and export enterprises modified their operation strategies at the right time, vigorously arranged to procure marketable goods, improved their export commodity structure, and increased the variety of exports. By the end of last November, the year's export plan had been overfulfilled by 22 percent ahead of time. Of all the export commodities, coal being the exception, all major industrial and commercial commodities fulfilled the year's export plan ahead of time. Last year, the varieties of our province's exports increased to over 600, and there was a further increase in the export of products that can earn high amounts of foreign exchange and of competitive products, thus changing the export pattern, which lasted for many years, in which raw materials and primary products accounted for the major portion. Export of series products, among others, set an unprecedentedly strong tendency in our province. From January to November, \$152 million were earned from their export, up 42.7 percent over the corresponding period in the previous year.

Last year, our province's products were exported to five new countries and regions. We have now established relations of economic exchange with over 100 countries and regions.

Xinjiang Border Trade Said Increasing Rapidly

OW1501112992 *Beijing XINHUA in English 1104 GMT 15 Jan 92*

[Text] Urumqi, January 15 (XINHUA)—Northwest China's Xinjiang Uygur Autonomous Region is cashing in on its rapidly increasing border trade.

Tajik autonomous county of Taxkorgan in southwestern Xinjiang, which borders on Pakistan, used to be one of the poorest areas in China. Since it started border trade

with Pakistan two years ago, it has earned hundreds of thousands of U.S. dollars in foreign currencies and is shaking off poverty.

Last August, the Kazak autonomous prefecture of Ili in the far west of Xinjiang initiated shopping programs for tourists, especially those from the former Soviet Union.

From then on Yining, the capital city of the prefecture, saw hundreds of tourists every day cramming through the posts for exchanging, buying or selling goods. Within three months, these tourists brought 1.2 million U.S. dollars in foreign currencies to the city.

These are two cases representative of the border trade in Xinjiang.

The 1.6 million sq km region has more than 5,000 kilometers of frontier lands bordering on Mongolia, Pakistan, India and Afghanistan.

Since the 1980s when China carried out the reform and opening policies, it has opened nine outlets to the outside world, creating conditions for its border trade.

To date Xinjiang has 11 companies which have business relations with neighboring countries and some Eastern European countries and regions.

Within a decade, Xinjiang's trade volume with the former Soviet Union increased 150-fold from 809,000 U.S. dollars to 120 million U.S. dollars.

In 1986, the import and export total of Xinjiang was 4.44 million U.S. dollars, five years later, it jumped to 65.5 million U.S. dollars.

Within a decade the proportion of the export volume of Xinjiang in its total trade volume with the former Soviet Union increased from 1.71 percent to 21.7 percent.

Meanwhile, Xinjiang has speeded up economic and technological cooperation with its neighbors.

By the end of last October, it had signed more than 300 economic and technological cooperation agreements and 30 contracts with five Central Asian republics of the former Soviet Union, which were worth more than 55 million Swiss francs.

In two years, it also dispatched 2,014 persons for project contracting and labor cooperation programs such as vegetable growing, hotel interior designing, equipment installation and opening clinics using Chinese therapy.

In the course of cooperating with the neighboring countries, Xinjiang exported industrial and agricultural commodities in large amounts and opened markets for these products.

Barter trade brought to it 434,600 tons of chemical fertilizers, 113,900 tons of steel and some other production and living materials, supplementing the local production and relaxing the market demand.

The local government has been greatly inspired. It has decided "to galvanize the frontier regions through border trade" as a major economic policy and has put on stage a series of preferential policies toward the border trade.

Commentary on Ties in Light of Korea Accord

OW1301215592 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 12 Jan 92

[Station commentary: "Thought Provoked by Historic Agreement Reached by North and South Korea Through High-Level Talks"; from the "News and Current Events" program]

[Text] Though the historical reasons and political and economic realities leading to the separation of North and South Korea differ from those giving rise to the current situation across the Taiwan Straits, the historic agreement reached by North and South Korea through high-level talks has given us food for thought on the following two points:

First, resolution of an issue can only be achieved through negotiations. Historical reasons have kept South and North Korea separated for over four decades. The separation has become the root cause of tension and turmoil in Northeast Asia. It has an adverse effect on the 70 million Korean people's safety and development and on Northeast Asia's security and stability. The fact that North and South Korea reached agreement in this respect by holding bilateral talks reflects the wishes of the Korean nation as well as the demands of people in East Asia and in the world at large. Under the agreement, North and South Korea pledge to recognize and respect each other's system, to avoid interfering in each other's internal affairs, to refrain from slandering each other, and to avoid all actions of sabotage and subversion against each other. They also pledge to work together to turn the current truce into solid peace, to refrain from using military force against each other, and to solve differences of opinion and disputes by such peaceful means as dialogue and consultation. These pledges conform to the Korean people's interests and embody the spirit of the times that calls for turning confrontation into dialogue and changing the cold war into a state of cooperation.

Talks are necessary both for settling international disputes and achieving national reunification. Given the history of Kuomintang-CPC cooperation on two previous occasions, there is no reason why the two sides of the Taiwan Strait cannot accomplish what North and South Korea have achieved. People hope that the Taiwan authorities will modify their three no's policy at the earliest possible date and that they will come to the negotiating table to hold direct, frank, and sincere talks with the CPC on achieving peaceful reunification of the motherland.

Second, strengthening exchanges is an important means of enhancing mutual trust and common understanding. The agreement reached by South and North Korea contains specific provisions on exchanges between the two sides. According to the provisions, the two sides agree to joint exploitation of resources, exchanges of materials, cooperation, and investment. They also agree to cooperation and exchanges in science and technology, culture, education, public health, sports, environmental programs, news reporting, and publishing. Moreover,

they will work to promote free exchanges of correspondence and visits between separated families, to rejoin severed railways and highways, and to open sea lanes and air routes. Various exchanges between South and North Korea are expected to play a positive role in enhancing mutual understanding, in eliminating misunderstandings, in spurring national economic and cultural development and other endeavors of the Koreas; and in promoting the country's reunification.

In contrast, man-made barriers are still restricting cross-strait exchanges to one-way, indirect, and civilian contacts. People on both sides of the Taiwan Strait look forward to the day when they can remove those man-made barriers and work for great progress in cross-strait exchanges. The Taiwan authorities should give serious thought to such expectations.

Article Terms 'Taiwan Independence' 'Failure'

HK1301125392 Hong Kong WEN WEI PO in Chinese 20 Dec 91 p 4

["Special article" by Li Hsiao-chun (2621 1321 6150): "Failure of 'Taiwan Independence' as Viewed From National Assembly Election"]

[Text] The election of deputies to the Taiwan Second "National Assembly" has ended. The performance of Taiwan independence elements constituted a special feature in this strange campaign full of political parties' contention and briberies. Not only has the Democratic Progressive Party [DPP] suffered a serious setback in the election campaign, the "Taiwan National Establishment Organization" ["TNEO"] and the "Taiwan Independence Alliance" ["TIA"], which were active in mass movements on the island, have also remained strangely silent as a result of being cold-shouldered by the millions. This situation suggests that the Taiwan masses do not support Taiwan independence and that Taiwan independence forces have found themselves in a predicament.

Hsu Hsin-liang's Prediction Comes to Naught

As the biggest opposition party in Taiwan, the DPP, which described the election campaign as a battle "between formulating and revising the constitution" and "between Taiwan independence and reunification," devoted all-out efforts in its combat against the Kuomintang, with the biggest political pawn of disseminating its proposal for a "Taiwan Republic," the aim being to obtain one-fourth of the seats in the "National Assembly." But electoral results showed that the DPP only got 23.9 percent of the votes, far from Hsu Hsin-liang's prediction that "50 percent is too low and 90 percent cannot be regarded as high." This is the lowest percentage the DPP has ever registered in recent years' elections. Thus the DPP has been unable to resist the Kuomintang in the battle "between formulating and revising the constitution"; in the meantime, the DPP's trump card of "Taiwan independence" has broken to pieces in the battle.

Taiwan Independence Theoreticians Not Elected

The DPP joined the election not long after it entered "Taiwan independence" in its party program. This "Taiwan independence clause" was immediately repudiated by people in different circles as soon as it was dished out. Turning a deaf ear and a blind eye to fact, the DPP used its proposal for Taiwan independence as a weapon to canvass for more voters, thinking that it could rival the Kuomintang for control over the island. But unexpectedly, it had lifted the rock only to drop in on its own toes; it suffered a serious defeat. In particular, the failure of "Taiwan independence" theoretician Lin Chuo-shui in the election campaign and the elections of candidates who are firmly opposed to Taiwan independence have proved that the proposal for "Taiwan independence" has met with increasing criticism on the island.

Newly elected DPP Chairman Hsu Hsin-liang does not acknowledge that the DPP's defeat is because of its proposal for "Taiwan independence," but almost all the media have pointed out that the DPP's wrong choice for "Taiwan independence" has scared voters away. Even former DPP Chairman Huang Hsin-chieh frankly admitted that voters' rejection of the DPP's proposal for a "Taiwan Republic" was a major factor causing the DPP's defeat in the election campaign.

"Taiwan National Establishment Organization" Suffers Major Defeat

Prior to the "National Assembly" election, "TNEO" leader Chen Huan-chen had gone into hiding to avoid government arrest. So, the organization had no leader to follow during the election. Subsequently, key figures of

the organization including Lin Yung-sheng were arrested and detained by the police because of their involvement in violent incidents. Thus the "TNEO" had practically disintegrated at the beginning of the election.

In the past this organization used to stir up violent incidents to attract people's attention. Not only did the masses condemn the "TNEO," but many organizations which had been on good terms with it also estranged themselves from it.

In the recent "National Assembly" election, the "TNEO" had previously planned to wage a mass protest to solicit votes, but it failed in its attempt because of a lack of support from other organizations.

Taiwan Independence Leaders Arrested

The "TIA," which maintained fraternal relations with the "TNEO," had previously intended to call on overseas Taiwan independence key figures to return to Taiwan. On the other hand, it had planned to form a united front for a "Taiwan Republic." But its key leaders Chang Chan-hung, Wang Kang-lu, Li Ying-yuan, and Kuo Pei-hung were arrested upon arrival in Taiwan. Their wishful thinking ended in failure.

Chang Chan-hung was far inferior to Hsu Hsin-liang in the past in terms of popular support. The wives of the other three key leaders were arrested upon arrival in Taiwan, and welcoming crowds were scarcely visible at the Chungcheng Airport. From this we know that Taiwan independence elements are opposed by the masses and deserted by their followers.

President Li 'Confident' Reforms Will Succeed

*OW1501084592 Taipei CNA in English 0743 GMT
15 Jan 92*

[Text] Taipei, Jan. 15 (CNA)—President Li Teng-hui said Tuesday that he was confident reforms being pursued by the government will "definitely succeed."

The president told a group of Overseas Chinese leaders from Thailand that political and constitutional reforms are "something that must be done" as the Republic of China faces a bottleneck in its development.

Li thanked his guests for having firmly supported the government over the past years, and warmly welcomed them on their current visit.

Li explained to them the government's mainland policy, which interests a lot of overseas Chinese.

He said China must be unified under a system acceptable to all Chinese, a system based on the principles of freedom, democracy and equitable distribution of wealth.

Relations between the two sides of the Taiwan Straits, therefore, should be developed on the basis of sincerity and mutual trust, Li added.

To demonstrate its sincerity, Li said Peking should give up its threats to use force in the Taiwan Straits and to obstruct Taipei's bids to expand its foreign relations based on its one-China policy.

The government, on its part, has shown its sincerity by announcing its national unification guidelines which calls for a gradual approach to unifying the country, Li noted.

The basic principles for achieving national unification are reason, peace, equal standing, and mutual benefit, Li quoted the national unification guidelines.

"We believe this is the most reasonable and feasible way to achieve national unification, and we believe it will win the support of overseas Chinese," Li said.

Premier Hao Po-tsun also met with the overseas Chinese group, led by Chang Li-ming, on a separate occasion.

Nation May Send Rice to Russia, Ukraine, Belarus

*OW1501084892 Taipei CNA in English 0738 GMT
15 Jan 92*

[Text] Taipei, Jan. 15 (CNA)—The Ministry of Foreign Affairs (MOFA) said Tuesday that it was actively studying ways of sending 100,000 metric tons of rice to Russia, Ukraine and Belarus.

J. Y. Lo, director of MOFA's Department of West Asian Affairs, said that the MOFA hoped rice can be sent to three former Soviet republics before March of this year.

According to the MOFA, the executive yuan is expected to make a decision on the rice aid to the three republics within a few days.

Foreign Bank Branches Allowed To Lend More

*OW1501084792 Taipei CNA in English 0749 GMT
15 Jan 92*

[Text] Taipei, Jan. 15 (CNA)—The Ministry of Finance has eased restrictions on credit that local branches of foreign banks are allowed to offer to their clients, a ranking official announced Tuesday.

Local branches of foreign banks are now permitted to offer up to one billion NT [New Taiwan] dls in loans to a given customer, the official reported.

The previous ceiling on such loans was 500 million NT dls. The ministry adopted the ceiling in 1988 in a bid to minimize bank operational risks.

In view of the fast expansion of foreign bank operations here, the ministry has recently decided to raise the credit ceiling, the official explained.

The credit-easing measure is also part of the ministry's efforts to liberalize the local financial service market, the official noted.

In line with the governmental policy of financial liberalization and internationalization, the official said, the Finance Ministry will continue to ease restrictions on foreign bank branches here and to encourage more foreign financial institutions to set up branches in Taiwan.

Enticed by Taiwan's rapidly growing financial service market, many famous foreign banks are eager to gain foothold here, the official reported. Citibank of the United States, which has been well-established here, is scheduled to open a new branch in Hsinchu in February. It will be the first foreign bank branch in the northern Taiwan city.

Citibank also plans to set up a regional credit card center in Taipei, the official revealed. It will be Citibank's third credit card center in Asia Pacific region, after Hong Kong and Singapore.

As Citibank's current facilities in Hong Kong and Singapore are not complete, the bank plans to open a new center in Taipei. The target markets of the Taipei center will include Japan, South Korea, Hong Kong and Malaysia in addition to Taiwan.

Citibank is expected to submit its application to the Finance Ministry in the near future, the official said.

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